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The Shape Of The Future

The singularly austere budget that the Newfoundland government introduced last week is one of the first clear examples of the new shape that Canada will take under the federal government's economic agenda for the 1990s. That agenda is based on the Conservatives' conviction that Canada is spending more than it can afford on social services. To become competitive internationally, according to those close to official Treasury thinking, taxes, interest rates, wages and inflation have to come down to levels close to those in the United States, Canada's largest trading partner. And that will necessarily involve less public spending on a wide range of existing services—or targeting some for more spending, while eliminating others. Some business leaders agree with that approach, as this week's cover story, supervised by Business Editor Ross Langer, shows. Many others, skeptical of tax and wage levels, are not waiting for the results. They are closing down their Canadian operations and moving to the United States and Mexico.

An essential aspect of Ottawa's approach is to make the connection between taxes and the payment for social programs clear to all voters. It is doing that by making taxes much more visible—as with the cut—as an effort to force voters to consider pressure for increased spending by pointing to the amount of increased taxation that would involve. It has also steadily reduced the amount of money that it provides to the provinces to cover the costs of social security.

With that, Ottawa is also transferring greater authority to the provinces to maintain programs. And, in the working estimate, it is the provinces that have to raise or lower taxes and spending. Newfoundland's response was to slash spending by freezing salaries and reducing jobs in the public sector, cutting the number of publicly funded hospital beds and some supplementary allowances to people on welfare. Whether Canadians approve of the Tory agenda or not, the outcomes of the nation are shifting dramatically.

Kennedy Doyle



Langer, with Senator Wilton Patten (left), says the federal government's response was to slash spending by freezing salaries and reducing jobs in the public sector, cutting the number of publicly funded hospital beds and some supplementary allowances to people on welfare. Whether Canadians approve of the Tory agenda or not, the outcomes of the nation are shifting dramatically.



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Maclean's

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LETTERS

A MISTAKEN NUTTY

Nick Hills deserves an apology for the appalling libel in your March 11 issue ("Mistake on the flagpole," Opening Profiles). His resignation was greeted with widespread, genuine regret. Hills made a lot of changes to the news coverage and editorial approaches of *The Vancouver Sun* in his two years as editor-in-chief. We did not always agree with everything he did (or sometimes asked us to do). We were most willing for a man who wanted to put out a good newspaper and was prepared to listen to our ideas and implement the good ones. He leaves the *Sun* a better newspaper than he found it. You are wrong and should apologize.

Angela Bloomfield, Mark Howe, Dennis Anderson, Kevin Griffin, Peter McMartin, Gloria Johns, Harold Murray and Joe Olson, The Vancouver Sun, Vancouver

AN APOLOGY

Maclean's wishes to apologize to Nicholas Hills for the publication of the article on page 9 of the March 11, 1991, issue headed "Mistake on the flagpole." The article contained statements that were incorrect. Because of these errors, to identify the incorrect statements would be counteracting the defamation. As a result, the magazine will not do so. However, *Maclean's* sincerely regrets the errors and apologizes for any embarrassment that the publication caused Nicholas Hills and his family.

A REASONABLE VOICE

I can think of no one less qualified than Brian Mulroney to speak for English Canada in the controversy over the place of Quebec in the Constitution—other than, perhaps, Jose Charbon or Anthony MacLennan ("The choice being Canada," Cover, Feb. 18). Mulroney has singlehandedly demonstrated his devotion to the interests of Quebec ever since he came to office. The Liberals have played the game for many decades of buying votes in Quebec with cash concessions from English Canada. The new Tories even more inclined than the others to make promises to carry on that painful tradition. We must stop the practice of letting Quebecers as Ottawas make deals with Quebec. The only voice raised in this cause seems to be that of Reform party leader Preston Manning. It is high time we listened.

Joy F. Nixon, Calgary, A.C.

I came from France to Canada in 1952, and have since become a Canadian citizen. I do not like a Canadian and I refuse to use this beautiful



Mulroney: 'no one less qualified'

and beautiful country broken up. It is time that the Prime Minister cease not to defend the unity of the country he represents. People have to be reminded of what they have and what it means. There is nothing wrong with being a bit more patriotic.

Dennis Christie, Montreal

Quebec's decline—1996. How convenient just long enough for Mulroney and Robert Bourassa to give Quebec everything it wants, leaving the captured here and sending him with which the rest of Canada can bargain. How can Canadians defeat the federal government quickly, so we can choose voices capable of representing the real values of the people?

Hugh Arund, Shelburne

COUNTING UP THE ERRORS

Peter Newman in "The worst of 1990: vintage year for greed" (*Business Week*, Dec. 24) was obviously determined to make derogatory remarks about the Alliance for the Preservation of English in Canada. I have read the letter presented by a local group of APSC to the Senate, B.C. school board, and found only one spelling error and four instances of poor sentence structure. Thomas Richard Williams, who according to Newman claimed that the letter was sloppily composed and had 50 spelling mistakes, was either endeavoring to make headlines or in the alternative he cannot spell or count, or both.

Ronald P. Leitch, National President, Alliance for the Preservation of English in Canada, Toronto

PASSAGES

DEED: Montreal businessman Edward (Toot) Tilden, 66, at Montreal's Royal Victoria Hospital, after suffering a heart attack after playing squash. Tilden, the president of Tilden Rent-A-Car System Ltd., was the fourth son of company founder Samuel Tilden. Toot and his brother Walter took over the family firm, which now provides jobs for more than 1,000 people. An anglophone Montreal native, Tilden was publicly critical of the Parti Quebecois's sweeping 1977 language law, Bill 101. He argued that the law was discriminatory because it prevented his firm from advertising in English. Some Parti Quebecois members retaliated by pledging never to rent Tilden cars.



MARRIAGE: On March 26, Chrysler Corp. chairman Lee Iacocca, 66, to Los Angeles restaurant owner Barbara Earle, 42. The two have been engaged for 14 months but had not announced a date. Iacocca's first wife, Mary, died of heart failure in 1958; he divorced his second wife, Peggy Johnson, in 1987. Earle's marriage to the Irish automaker will be her second.

DEED: Calgary oilman and former Tory as Peter Bowles, 63, in Calgary, at cancer. Bowles, who by the mid-1950s headed his own international drilling firm, drilled the first wildcat well in the Canadian Arctic islands in 1961 and represented the city of Calgary South from 1972 to 1975.

DEED: Canadian Aviation Hall of Fame member Stanley McKinnon, 86, in St-

aston. The longtime Edmontonian was one of the last surviving bush pilots to fly the isolated northern territories during the 1950s and 1960s. McKinnon flew the northern routes for the Royal Canadian Air Force, which he joined in 1957. Two years later, he became a commercial pilot, although he was involved in the RCMP during the Second World War.

DEED: The founder of the world's best-known chain of ballroom-dancing schools, Arthur Murray, 96, in Honolulu, after contracting pneumonia. By 1954, Murray, who for 11 years also starred in his own TV show, had established more than 400 Arthur Murray dance studios in 56 countries. His schools, which he sold in 1952, taught such dances as the tango and ballroom to millions.



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LETTERS

A HISTORIC LOSS

I have never read a more moving, courageous column than Peter C. Newman's story on the Hudson's Bay Co.'s closing of its fur departments ("The legendary Bay's fur empire betrayed," *Business Week*, Feb. 18). As the Right Hon. John Sperry, the Anglican bishop of the Arctic, said, the situation is "sad and shocking." At a time when Canadians are becoming more aware of native rights and past injustices against our native Canadians, moral rights activists are destroying the market upon which northern peoples depend to maintain their independent, centuries-old way of life. My love for animals is tempered with the reality that sometimes animals have to be killed in order to regulate populations. Far as a renewable resource that does not pollute and is unregulated in warmth and beauty. As Newman put it, "the Company betrayed its history and the fur traders who made it great." I strongly agree and will not shop at the Company stores again.

Joan Delaney,
Cornwall, Ont.

There might not be such an uproar about the fur trade if the authorities, trappers and the industry had been listening over the past several years to the complaints of organizations and

individuals concerned about animal rights and humane trapping. If, instead of turning a deaf ear, those in the fur trade had worked to find humane alternatives to the cruel methods still in vogue, they would not be as disappointed. I, therefore, do not share Peter Newman's sympathy for those affected by the ban. I commend the Bay for its move. It has turned me into an exclusive and constant patron of theirs. In this day and age, there is really no good reason to suffer cruelty on any living being, least of all for vanity.

W.H. Dym,
Vancouver

I was very happy to read Peter Newman's column expressing the trappers' view of the Bay's closing of their fur departments. The animal rights activists' campaign against us trappers is causing great economic hardship. They seem to want to sweep the fact that man is an animal and a creature, and thus a predator, under the carpet like a pile of dirt.

Mahe Hwaet,
Powers George, B.C.

For a historian, Peter Newman is a great headline writer. But "The legendary Bay's furstore betrayed" puts far too much importance on the recent decision of the Bay to close out its fur operations, whilst it is only one of its 60 stores across Canada. The customer will hardly notice the event. Nor will the fur pro-

ducers or manufacturers. The Bay had only two per cent of the Canadian retail market in furs. The Toronto Yellow Pages lists 150 fur retailers, and the Bay's closure means with a fur department is not evidence of them. The Bay's real abandonment of its northern heritage occurred in 1987 with the sale of its Northern Stores division to a new company now called the North West Co. Inc.

A. Ralph Mahood,
Vice-President, Mahood's Bay Co.,
Toronto

A MEDAL WITH MEANING

It is not surprising that Ottawa was "taught without an official combat honor" to become on this country's heroes when the war in the Persian Gulf began ("Missing medals," *Opening Moves*, Feb. 11). After all, we veterans of the Korean War have been waiting 40 years for a Canadian medal. We continue to wait while Ottawa (possibly) Hopefully, our Canadian soldiers, sailors and airmen currently serving in the Gulf will not have to wait 60 years for Ottawa to recognize their contributions.

Bob Cronin,
The Korea Veterans Association
of Canada Inc.,
Richmond, B.C.

Letters are edited and may be condensed. Writers should supply names, cities and telephone numbers. Send complete address: Letters to the Editor. Mailbox may come. (Mention: 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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(MODEL 1972)



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Note: Values of the four Roastler models maximum from those shown in this study.

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Source: *Journal of Energy Engineering*, Vol. 120, No. 1, 2000.

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OPENING NOTES

Warren Hinckle fights a new battle, Michael Hahn launches a contest, and the British ignite a feud

RULES MADE TO BE BROKEN

School days at Ottawa's exclusive Lyric College, the private school attended by Prime Minister Brian Mulroney's four children, have covered a distinctly greyer area. Recent school efforts to increase security because of the Gulf War have angered some of the parents whose children attend the Riverside Drive school, largely because the school has not provided them with an explanation for the changes. The first driveway of the school is now restricted to use by the school cars that chauffeur the Mulroney children. Everyone else has been asked to use side entrances. And parents are required to post a security



Mulroney and some security

check before they are allowed to enter the school. The RCMP, the Prime Minister's Office and the school have declined to discuss the new rules, but most parents who spoke to Maclean's speculated that they are a response to concerns about terrorist attacks. Still, the school's only explanation to the other parents has been that it is enforcing fire regulations. One mother of two students said, on condition of anonymity, that she is furious that the new rules do not allow her to park in the school driveway when she picks up her children. "It's ridiculous," she said. "Now, my children are supposed to cross the street. There could be an accident." The women retorted: "They didn't even tell us why the rules were changed. We read in the newspaper that it was because of the Mulroney children." A case of innocence in an era of mass terror.

And the contest winner takes all

Since 1980, Ottawa businessman Michael Hahn has been in a one-man mission to save Canada's constitutional problem. Last week, he announced a nationwide contest to rewrite the Constitution. Hahn is proposing that Canadians who are not politicians take a crack at coming up with a new document—and, in the process, compete for about \$5 million in prizes. The winner would get \$250,000. He said that the prize money could come from the sale of silver commemorative coins specifically minted for the occasion. Declared Korean-born Hahn: "I have a God-given opportunity to demonstrate a new direction. We have everything as this country respects political leadership." Hahn has even written to world leaders, including Soviet President Mikhail Gorbachev, asking for a meeting to discuss Canada's constitutional problems. Reaching Abraham Lincoln's Gettysburg Address, Hahn's letters refer to his constitutional mission as one that is "up to the people, for the people and of the people." When in doubt, look south.



Hahn's contest for 25 million citizens

A NEW FRONT ON PROFITS

The end of the Gulf War has led to new marketing possibilities for some companies. A case in point: Thomas Cook Travel. Last week, the London-based company advertised holiday deals—including 500 free trips to Florida—for members of the British forces. A full-page ad in the Sunday Times declared: "As soon as they come home we want to send them away." But the ad noticed that Cook is making up for lost business. "After all," it said, "the travel business has suffered more than most as a result of the Gulf War." Truth is advertising.

NO CEASEFIRE FOR COLUMNIST

The Gulf War is over, but for newspaper columnist Warren Hinckle the battle has just begun. Last month, William Randolph Hearst II, owner of the San Francisco Examiner, suspended Hinckle for three months after refusing to run a column of his praising an anti-war administration. Hinckle, who joined the left-wing Ramparts magazine in the 1960s, immediately launched a maverick newspaper called War News as outlet for his extreme views. The other day one June, the war suddenly ended, said Hinckle. "Everyone thought the war would last a while."

Mean: owner



Still, war or no war, Hinckle told Maclean's that he will continue publishing the highly right-wing War News—at least until he returns to the Examiner. But he added that he is slowly redefining an old battle. "There are a number of issues in the Gulf that haven't been resolved," he said, "and we plan to address them." But because demand for the first issue of War News was lower than expected, Hinckle slashed circulation of the second issue to 30,000 from 100,000. "I have nothing to lose," he said. That, it appears, little to gain.



Hinckle: the battle continues

Back-biting

As the 1992 deadline for achieving European economic unity looms, the aged rivalry between France and England appears to be escalating. Last November, a London daily newspaper, The Sun, a self-proclaimed mouthpiece of the British working class, poured scorn on France in a special issue headlined "Up yours Britain!"—an reference to Jacques Delors, the French president of the European Community, who had a long-standing feud with then Prime Minister Margaret Thatcher over the reduction of the dream of a united Europe. Last month, Nigel Rummen, a sophisticated, Paris-based fashion magazine, published a scathing denunciation of the English. It published an article saying that the British are ugly, underpaid and "worse of all to the epicurean French—they are unable to cook. The article also declared that Sirin, the Duchess of York, looks like a tractor, and denounced the English for their worn bars, shabby clothing and invariable accents. Many Frenchmen, taking stock by Nigel Rummen's attack, refused to defend their northern neighbors. But the outgoing editor of the magazine, Jean-Pierre de Luczewski, was unapologetic: Said de Luczewski: "The English are people from another planet." Two colonies in the global village.



Duchess of York: a tractor?

MAINLY BECAUSE OF THE MEAT

To supervise Canadians, California represents the good life. But one delicacy can be found only at home—Montreal smoked meat. Louis Masarik, owner of Weiner's Deli in Los Angeles, claims that his Canadian-born Foods Ltd. of Montreal met him last year, he said about 1,500 lb. a month. Sarah Horowitz, meat buyer at Costco, said that it became too expensive to ship the product to the United States. "Everybody was crazy about it," he added, "but nobody wanted to pay the price." Said Lionel Chabryand, a Canadian movie director living in Los Angeles: "This is really serious. We have to do something about it." Added Masarik: "Canadians keep calling. We keep trying. One of these days, someone will give in."

A MOTHER'S CONCERNS

Even De Calderon of Toronto says that she has things

ings. Said the mother of three: "My son knows about it and is supportive of me. There's no misunderstanding that we are dealing with our own issue." De Calderon insisted that Emilio, who is scheduled to return to Canada



De Calderon: 'not military-minded'

this week, is "not military-minded." She said: "Ever since he was a little boy, he was into sports, and the only way to learn is in the locker room. He thought because it was Canada, he would never be involved in a war. He's just got back on track." He was named as sacred as motherhood.

Let's hope he's not. De Calderon's son, Emilio, 29, is a 19-15 pilot in the Canadian armed forces. But after he was sent to Qatar in December, 1990, De Calderon began speaking out publicly at peace meet-

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AN AMERICAN VIEW



The other casualties of the Gulf War

BY FRED DOWNING

One hundred hours into the ground offensive, George Bush won his legitimacy war. The enemy had been vanquished, victory-split. Our losses had been minimal, theirs stupendous. We had closed the adversary in retreat and shot him like "this is a house," as one U.S. pilot said. We had liberated Kuwait, a nation few Americans knew existed six months ago, and left much of Iraq looking like a salvage yard. Saddam Hussein? The bad boy of Baghdad was in deep ditches in one soil to designate an all-purpose excuse for the new decade. We asked him to Hitler. History said our million Holocaust victims aside, we made the tag ends.

It must be the American people have short memories. Is it that they have no memories at all. When it comes to world events, we are 230 million patients on the same Alzheimer's ward. We remember 1918, one moment to read. We make no connections, see us while in all the parts. Most powerful nation in the world, you betch, but still anyone's guess. Standing as one of exemplars in Florida? Come see us. Twenty-five books to do Gulf's work in some support text or occasional crystal palace? Let's go it. Bushing a one-sided war as the Persian Gulf Show on where to sign.

Predicted? A year from now, we will recollect approximately one about the shootout, except that it looked over to television—the White House of it better. We will not know the underlying causes, nor the name of Kuwait's ruling family, nor, for that matter, the name of the hated Saddam Hussein if it seems possible, he is or was or stays there. We will not recall that prior to the fighting, half of us opposed aerial assault; or that our politicians had deep doubts. We will curiously forget that like many other civilian partners, we had done a brisk business with Iraq for years and years. We will neither advanced antenna when asked how many Iraqi died and—sad, but true—we will not know how many Americans

perished either. We will remember only that we won, and was big, and that whatever our cause, it was just.

But that's next year. In the meantime, here is what to expect: television specials, documentaries, ticker tape parades, White House testimonials, shameless self-congratulation, adulation. Home news tributes. In the spirit of Bushing those of the Second World War, and watch out anyone who wonders aloud what, in victory, we have wrought. Hours of upbeat chatter from network newsmen and pay-per-view experts touting the newly ascendant America, the American that, finally, launched its dream. Wasn't that One Busher in Kansas City, shaking hands with a triumphant soccer commander and cooing, "Well, go. Let's just objectively among the missing.

Further, watch for signs that Bushing of the George Young Don had a chance to come a name for himself in Vietnam but spent for Indians. Now arrives Colin Powell, chairman of the Joint Chiefs of Staff, who fought in the war that Quirky decided, and helped design the war that Quirky decided, but not ordinarily as asset in American politics, but there are the Iran military tapes. What House decides to the contrary, there is speculation Bush would lose

to duty Don—the political equivalent of Saddam—and take Powell to a running state trial year. Then, in 1998, Powell becomes the first black presidential candidate representing a major party. Resolutions was significant gains in minority consciousness and the Democratic party sears up its charter and recognition in its employment a penny or not and gun club. Tell about your New World Order.

Observed former may be the real meaning of what transpired in the Gulf. Spelling to state legislators shortly after boundaries ceased. George Bush exclaimed: "By God, we've kicked the Vietnam syndrome once and for all." But it wasn't just Vietnam that we kicked by creating a no-lock army and, in the Pentagon might say, "degrading the infrastructure" of a country gasping under the weight of a petulant dictator. Air war may have the character of surgery. Steeping is a notoriously messy business.

In booting away the Vietnam legacy, we neglected a bit of what is most concerning about our Yankee heritage. We pointed the notion of decency, generosity and fair play—and regarded our sense of self-respect, too. We kicked the hole beyond out of our own willys instead of idea that military power was used as a deterrent, not as a means of inflicting pain, or securing one's reputation, or prompting a national catharsis, or enhancing the global community in our own image. World better. For Americans is black to be long on the American, short in the past. Don't count on us.

Scarily the Iraqi got our message. We may have "attested" more than 100,000 of Baghdad's soldiers—many as they fled the battlefield. On the credits side, who knows? Apart from water, roads, power plants, water stations, hotels, stadium, mail, hotels, Iraq, and flood loss of water, electricity and sewage treatment services. Saddam is spending Mountain flags lighter. Life is tough.

So why are we smiling? We smiled a tyrant by mounting his people had passed an outcome of war. We see our behavior as though we had conquered the universe when really, folks, it was just Iraq. Defense chiefs insist that we rescued Kuwait from an awful spot, and so we did, but don't suppose that Operation Desert Storm was dedicated to that purpose? If so, we will be mighty busy visiting victims from their nations. In some cases, of course, we first will have to remove the casters from our payroll, or at least from our Christmas card list.

Concerning old U.S. alliances, Sydney Schwaberg, editor of The Atlantic, recently noted the ongoing rivalry between Washington and Kinross. Iraqi guerrillas who mobilized two million Cambodians in the 1970s and still terrorize the countryside. The White House wrote Schwaberg, "don't pay much heed to the continuing of this rivalry. What are we to make of our failure to break loose from such things? Why is schizophrenia still hallmarks of U.S. foreign policy? How would we explain ourselves in Iraqis proving their racist country? But enough. There are more details, but forgotten by the American people. Ready, go! One, two, three, pass!"

Fred Downing is a writer with Newsday in New York.

DROPPING A GAUNTLET



Liberals greet Bouchard (right); a party convention confirms that Quebec will leave the next move to English Canada.

Quebec Premier Robert Bouchard does not relish confrontations. Throughout his long career, he has avoided stark political choices by adroitly shuffling contentious issues. His skills at compromise were put to the test on the weekend in Montreal, when the province's Liberal party gathered for a historic debate to forge its policy on Quebec's future—either within Canada or beside it. What many of the 2,371 voting delegates, deeply divided between sovereigntists and federalists, hoped to hear from their leader at the outset was a clear message during the party's caucus. What they received was vintage Bouchard ambiguity. The 57-year-old premier told the delegates that he was neither sovereigntist nor federalist, but rather, "a Liberal." He then gave disappointed, the party faithful assembled in Montreal's conven-

IN A CRITICAL MEETING, QUEBEC LIBERALS STAMP THEIR APPROVAL ON A RADICAL VIEW OF CANADA

tion Palais des congrès rose in a thunderous ovation as he went on to declare himself further as "a Liberal who is profoundly a Quebecer, a Liberal whose prime objective is to achieve what is in Quebec's best interests."

The premier's emphasis on his primary loyalty to Quebec—and his admission of any reference to comparable loyalty to Canada—set the tone for the three-day policy convention. It had shaped up as a potentially explosive conference. Nearly nine months after the collapse of the March 14th accord, the delegates had convened to hammer out their party's response to a constitutional platform based on the controversial report of a special party committee headed by Montreal lawyer Jean Allaire. That report would have Ottawa turn over to Quebec, as well as to the other provinces, all but a handful of its current powers. Federalists among the Liberals, including several powerful members of Bouchard's cabinet, tried to moderate some of Allaire's more ambitious recommendations. Conversely, a much larger group led by a staunchly sovereigntist youth wing, were intent on affirming party support for those proposals

without amendments—and certainly without any softening of demands for independence.

In the end, the delegates adopted the essence of the Allaire report: a call for a sweeping revision of the Canadian federal structure or, failing that, a referendum in the autumn of 1992 to put the issue of independence before Quebec's electorate. But in the crucial hours of voting on Saturday, the depth of sovereigntist sentiment among the delegates left some federalists upset. After the convention rejected one amendment urging constitutional negotiations with the other provinces as well as Ottawa, Public Services Minister Claude Ryan, a staunch federalist, walked off the convention floor. "I expected something completely different," said Ryan as he departed.

But as the convention imposed little more than free-ranging changes to the Allaire report, the delegates confirmed Bouchard's position. In his speech on the convention's first evening, Bouchard declared that, with the report, his province had made its constitutional position clear—and now awaited English Canada's reply. The 1992 deadline, Bouchard said, provided a "reasonable" period of 20 months to develop a new federation. It is in that time the rest of Canada agreed to Quebec's proposals, he added, "the country will be stronger."

Despite the delegates' refusal to soften the policy, it is still far from certain that Bouchard himself would be an uncritical ally of any future constitutional negotiations. The Quebec province was careful to point out, under questioning from reporters, that convention resolutions are not binding on the government. "It is a Liberal tradition," he said, "to attempt to incorporate 80 or 90 per cent of what a convention recommends, and we will attempt to adhere to that tradition." Most observers expected that federalists among Quebec's Liberals in the party will continue to work to soften Allaire's recommendations. The party's general caucus, which meets every few months, may also chip away at the policy.

Still, even the most autonomous delegates voiced little concern that the party's leadership might wear down Allaire's recommendations. "If the final goals and the referendum deadline are respected, then we will only behind the premier," said Michel Bouchette, president of the Liberals' youth wing, whose members formed roughly one-third of the convention's voting delegates. "We are here to give the government the guidelines," he added, "but it will be up to Mr. Bouchard to make his choices."

The meeting did indicate how deeply sovereigntist sentiment runs within the party. The most striking illustration of that took place over a seemingly obscure amendment concerning the federal of future negotiations for consti-

tutional reform. The party's most prominent federalists, including Allaire, had suggested an amendment that would have called for negotiations with "the rest of Canada." But opponents of the amendment, led by the youth wing, argued that the failure of March had demonstrated the futility of attempting to wring an acceptable agreement from all use of the other provinces. Instead, they insisted that future talks be limited to "the government of Canada." To the shock of the federalists, delegates defeated the amendment. Said Ryan after the vote: "I'm obviously disappointed, but I am used to this sort of thing." But as what some observers took to be a veiled threat that Ryan, a former provincial Liberal leader, might withdraw from the party, he added before leaving the convention: "I will have to weigh all the implications of this with my advisors."

At the same time, other federalists played down the significance of the decision to reject that amendment. They stressed that the Allaire report stresses only a starting point for negotiation. Said Marc-Aurèle Fabis, president of the Montreal-area Outremont riding association: "It is a strong message that all Quebecers are fed up with the way Canada is right now."

But it is also a message that we would be keeping talking about Canada and its survival." Added Fabis: "We hope other Canadians realize that we are the last chance for federalism in Quebec."

That message has already been conveyed in some other Canadian. Claude Ryan, a former Liberal Ontario minister and an observer in Montreal, said: "The first test, separation is really on the table. I don't think that outside Quebec we have really responded to that. But just by the way, I don't think that we are the last chance for federalism in Quebec."

Other Liberal groups, Claude Wilks of Newfoundland, was describing a very different scene of federalists to an audience in Ottawa. Speaking to a group of people at the capital, Wilks sharply rejected the idea of turning most federal powers over to the provinces. Canadians, he declared, "want a country that can give them more than a currency unit and common defence."

The plan adopted by Quebec's Liberals on the weekend would leave Ottawa with little more than those two functions. The challenge facing Robert Bouchard—and the nation—over the next 20 months is to discover whether enough common ground can be found between the two visions to prevent Quebecers from exercising their choice for independence when that time does come.

BARRY CAHILL with ANTHONY WILSON
SMITH and NANCY HIGDON in Montreal

National Notes

A CLAIM REJECTED

The R.C. Supreme Court dismissed a claim for about 8,000 British Columbia Indians to have a portion of the town of New South in the centre of the province. In the seven-year-old action, the Gitksan-We'wewa on Indian land claimed title to 22,000 square miles centred on the towns of Smithers and Hazelton. But the court ruled that the original title to the land was legally acquired before British Columbia joined Confederation. Otherwise, the Indians to appeal the decision to the Supreme Court of Canada.

LONGFIGHTER FOUND GUILTY

A Court of Queen's Bench jury in Port Moody, B.C., found Peigan Indian Nation guilty of a \$2.5 million civil suit of seven wrongful charges related to a construction cost. The Peigan Nation, the name of a militant Peigan group known as the Longfighters, was found guilty of having approached a Longfighter protest camp at the construction site of the \$200-million Omineca River dam, upstream from the Peigan reserve.

SABOTAGING TOWNS

The federal government announced the first big program under its Billion Green Plan to clean up the environment. It said that it will spend \$25 million to reduce industrial toxic discharges into the Great Lakes and the St. Lawrence River. Members of some environmental groups called the plan pathetic and vague.

BUDGET AFTERSHOCK

Faced with a \$16-billion out-of-budget deficit, the federal government has announced a harsh budget that will slash 2,500 provincial government jobs, eight per cent of the total. The budget also cuts the salaries of the remaining 35,000 public employees for one year and orders 500 hospital beds in the province closed.

ACQUITTAL IN NEW SCOTIA

A Nova Scotia provincial court judge dismissed charges that former Conservative provincial health minister David MacIsaac violated the law by releasing details about a former civil servant's way as a mental institution. Judge William Aron said that Michael Zarnoff had waived his right to have the information kept confidential by making it public himself. Zarnoff made his disclosure last year during a series of statements in which he accused the Nova Scotia Tories of widespread patronage. MacIsaac, 48, resigned his portfolio last September after being charged.



Cowlesley empties his desk: acting out of a personal sense of "propriety"

The 11th resignation

Cowlesley's departure rocks Vander Zalm

The discussion was frank and to the point. Last week, behind the heavy, paneled oak doors of the provincial cabinet chamber in Victoria, four Social Credit government ministers attempted to convince British Columbia Premier William Vander Zalm not to resign his seat in the legislature when a re-election was close. Along with three cabinet colleagues, Finance Minister Michelle Cowlesley urged Vander Zalm to stay out of the house until B.C. conflict-of-interest commissioner Edward Hughes completes his investigation of the premier. Hughes is looking into Vander Zalm's role in the \$16-million sale last September of his Patsy Gardens horse park south of Vancouver. But the 56-year-old premier insisted that he would continue to sit in the legislature. At that point, Cowlesley rose and returned to his office to draft his resignation. Later, Cowlesley said, "My decision is based on my personal perception of propriety."

His abrupt departure added drastically to the pressures on Vander Zalm. Governor, 69, is the 11th cabinet minister to withdraw from Vander Zalm's cabinet since his government was elected 52 months ago. Seven others quit over allegations of personal wrongdoing three

are back in cabinet after being cleared of any wrongdoing. Three more left in protest over Vander Zalm's own conduct. But, with the departure of Cowlesley, who had held the 5. name portfolio throughout Vander Zalm's time, the embattled B.C. premier lost one of his most widely respected ministers—the one of an election that must be called by November.

Cowlesley's decision was prompted by apprehension about the possible outcome of the investigation into Vander Zalm's business affairs. After his resignation, Cowlesley told reporters that he was afraid of being "blasted" by disclosures that, as a member of Vander Zalm's front bench, he might have been obliged to defend him. Cowlesley: "I was deeply troubled by the prospect of receiving new information that I wasn't comfortable defending. I was not going to follow that kind of line of inquiry." Hughes begins his investigation last month at Vander Zalm's own request. The premier called for the inquiry after documents from an unrelated court case revealed that Vander Zalm—contrary to his repeated denials—was intimately involved in the sale of the 22-acre horse park to Taiwanese investors. Those revelations compounded a disclosure last year

that the premier had received an \$89,000 contract to Patsy Gardens while in office—contrary to his repeated insistence that his wife, Lillian, was the owner.

The series of resignations and Cowlesley's departure left Vander Zalm's one-term government badly shaken. In the latest polls, taken in January, the Social Credit government, New Democrats by up to 15 percentage points. A drive by some Social Credit members earlier this winter to hold a leadership contest ended unsuccessfully in January, but defiance with the premier remains high within the party. Two members of the board of directors, and four riding-association presidents have resigned in recent weeks, citing leadership as an issue. Four Social Crediters announced to run in the next election and also withdrew for the same reason. Further complicating the party's fortunes, a group of dissident former Socialists led by Dennis Stiles, a former riding-association president, said last week that they planned to create a breakaway free-enterprise party, the British Columbia People's Party, to challenge the Socialists and the PCs.

The resignation of Cowlesley, who will sit as a Social Credit member, added to doubts about the premier's financial policies. For the first years 1989-1990 and 1990-1991, Cowlesley had presented balanced budgets. But just two days before his resignation, Cowlesley revealed that the government had incurred an operating deficit of \$250 million for the first nine months of the 1990-1991 fiscal year, which ends on March 31. At the same time, Cowlesley warned that if the government went ahead with a proposal announced last October by Cowlesley himself to spend up to \$20 billion in capital works over the next five years in order to combat the effects of the recession, a balanced budget in the coming fiscal year would be unlikely. Still, Cowlesley denied that his departure reflected any dispute over policy. He had not planned to introduce a budget in the new session, and it remained unclear whether his successor, Edward Veitch, would table one before the next election.

In accepting Cowlesley's resignation, Vander Zalm seemed determined to shut his premier his government's course for his own. "Things will go on," the subdued premier told reporters, "and so are we responsible." Indeed, less than 24 hours later, Zalm was sworn in as finance minister, while retaining his international business and immigration portfolios. As for his intention to take his seat in the house this week, Vander Zalm added, "I have had my tough times in the past, and we've overcome them."

The tough times ahead for Vander Zalm include the presentation of Hughes's report, expected by the end of March. But the biggest test will come when Vander Zalm faces his government's next election in the next election. For his part, three hours after announcing his resignation, Cowlesley accompanied his wife, Lillian, to a movie in Victoria. It was Queen's night, a story about over-consuming adversity in the Mid West.

REAL QUESTIONS BY JAMIE PETERSON in Victoria

A hard, cold choice

A court tears up Saskatchewan's electoral map

For weeks, political speculation in Saskatchewan has revolved around the likelihood of a spring election. eager to shore up the party's base. Conservative Premier Grant Devine avoided a series of programs that threatened last week with the momentum that the government would issue 100 provincial elections—and several federal jobs—draw Regina to smaller centres throughout the province. Then, the Saskatchewan Court of Appeal last week upped Devine's preparations when it ruled unanimously that new electoral boundaries, approved by the legislature in 1989, were unconstitutional. The court, meeting in challenge by a coalition of citizens groups led by three University of Saskatchewan law professors, declared that the MLCs had violated the Charter of Rights and Freedoms by placing the majority of seats in rural areas, even though more voters live in urban centres.

That ruling left Devine's government, which has to call an election by October, with difficult choices. If it results the legislature immediately to rearrange the boundaries in ways that the court will accept, the process could take several months and result in fewer ridings in rural areas, where Tory support is strongest. At the same time, if the government appeals the decision and then calls an election, it will risk the results of that vote being overturned if a higher court later upholds the Saskatchewan ruling. Many other provinces may soon face similar dilemmas, as well.

The court ruling had dramatic implications for nearly all other provinces. In most of them, electoral boundaries have historically favored rural voters because the large sparsely populated have to be broken down into many small ridings to make them manageable for both voters and legislators. After last week's decision, said Ronald Coatsworth, one of the three law professors who launched the challenge, other provinces will have to study the Saskatchewan court's decision closely. Added Coatsworth: "This decision has significant ripple across the country."

In the west, the Saskatchewan Tories lost much of their base, especially in the west, the opposition New Democratic Party, which leads the Tories by more than 30 percentage points in the latest opinion polls, had mixed news on the basic course of action. Initially, NDP boss Gordon Langille

said that the party was going to hold an election immediately—and address the boundary question afterwards. But on reflection, now Devine said that the party would demand that the government recall the legislature to enable it to appoint a new boundaries commission. Declined Rosewood "Conser-

and that the party was going to hold an election immediately—and address the boundary question afterwards. But on reflection, now Devine said that the party would demand that the government recall the legislature to enable it to appoint a new boundaries commission. Declined Rosewood "Conser-



Devine: the balance was skewed towards rural voters

servants are no longer draw boundaries or exact legislation for the purpose of giving political advantage. The idea of gerrymandering should be dead."

For Devine's Conservatives, however, the electoral districts may well prove decisive in the next election. In the past election, in October, 1986, the party's popularity among rural voters allowed the Tories to win a second majority mandate, even though they captured slightly fewer votes overall than the urban-based NDP. The Tories won 28 seats—about 40 of them in rural ridings—compared with 25 for the NDP and one for the Liberals. Then,

under a five-year-old provincial law, the government created an electoral commission in 1988 to redistribute the province's constituencies. Later that year, the commission produced a new map creating two new seats, bringing the total to 46. Significantly, however, the commission also allowed the number of voters now riding to be 25 per cent more or less than the provincial average. The previous variance had been 18 per cent.

Although the new seats were in urban areas—Regina and Saskatoon—critics attacked the new boundaries for tipping the balance unfairly in favor of rural voters—and the Conservatives. The critics argued that the new boundaries skewed the balance of the Court of Appeal, which heard the case early

December. Lawyers acting for the premier argued that smaller numbers of voters were justified in rural ridings because of the need to limit the size of rural constituencies in non-proportional representation. The lawyers also noted that riding distributions in every province except Manitoba also allowed for discrepancies of at least 25 per cent.

But the court accepted the challengers' contention that the proposed boundaries violated the law from the fundamental democratic principle that no citizen's vote should count more or less than another's. The court ruled that the proposed boundaries violated the spirit of Section 3 of the Charter of Rights, which deals with the voting rights of Canadians. That section does not directly address the issue of riding size. But according to the Saskatchewan court, it implies that individual voters should carry relatively equal weight. The judgment noted that the same ridings would range in voter population from 7,757 in rural Moose, in the south, to 12,567 in Saskatoon/Greyhound. Such wide discrepancies, the five judges concluded, could mean that the riding power of citizens in the larger constituencies is diluted.

Justice Minister Gary Lamm said that he was talking to the courts reports as other provinces asked a possible appeal to the Supreme Court of Canada. Lamm added that if an election is called before an appeal can be heard, voting would likely be within the boundaries used in 1986. But the cri-

sis who took the most recent boundaries to court threatened to challenge the legitimacy of any election in which the distribution of voters failed to meet the court's requirements. A new electoral map is drawn, and by law Howard McCord, one of the activists, any election "would give us a result based on an inferior system." For the Devine government, reelection was now more uncertainly to be weighed as it could mean an uphill campaign for a third term in office.

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A SEARCH FOR LASTING PEACE



The heads, the salaries, the flags and the emblems released by the nations across the United States marked the real end of the Persian Gulf War last week as the first troops began arriving on their return.

With the defeat of Saddam Hussein behind him, President George Bush turned to confront the central problem of the Middle East. "The time has come," he told a joint meeting of Congress last Wednesday night, "to put an end to Arab-Israeli conflict." Bush's Gulf War triumph had opened an unusual opportunity. Both Israel and Saudi Arabia eagerly signaled at least a willing, even on the weekend to participate in a regional peacekeeping process. The Israelis obviously were feeling more secure after the U.S.-led coalition smothered Hussein's military might—and ended their embassies. Palestine Liberation Organization leader Yasser Arafat, government welcomed colonization for supporting Iraq. And the Israeli's "restraint" in the face of Baghdad's 29 Sept missile attacks had earned these world accolades. Still, there was no sign that the government in Jerusalem was willing to recognize what Bush had urged them to—"legitimate Palestinian political rights"—or trade territory for peace. And Secretary of State James Baker clearly had a delicate task as he continued a 10-day tour in the region and to the Soviet Union.

Along with the Palestinian question, Baker raised other key topics with the Arab members of the numerous Arab-Israeli coalition. Those were the establishment of an Arab peacekeeping force in the Gulf, steps to prevent a new buildup of nonconventional weapons of mass destruction—including nuclear and chemical arms—and regional co-operation for the economic benefit of the poorer Arab countries. Four other Western foreign ministers were also touring the region, with similar issues in mind. Among them was Canada's Joe Clark, who stirred up controversy in Israel and Canada when he appeared to differ with Prime Minister Brian Mulroney over the role of the PLO.

Print in Jerusalem and again in Jerusalem.

THE TROOPS BEGAN COMING HOME AND PRESIDENT BUSH VOWED TO SEEK AN END TO ARAB-ISRAELI CONFLICT

Clark characterized the PLO as the legitimate voice of the Palestinian people in any Arab-Israeli peace process. But in the House of Commons last Thursday, Mulroney said that the PLO had been "substantially, if not completely, discredited" by its support for Saddam Hussein. He added: "Our enthusiasm for the peace process is zero." Clark and Mulroney quickly denied any policy differences.

Bush: "legitimate Palestinian political rights"



And as an senior official in the Prime Minister's Office explained that "the Prime Minister has more rhetorical use of speaking, while Clark is more cautious." Both men, he added, agree that it is up to the Palestinians to decide who will represent them.

Although the question of the PLO's status was a potential negotiating point, was clearly on the table, the more immediate issue was Bush's call for Israel to comply with UN Resolutions 242 and 338. These resolutions demanded Israel's withdrawal from territories taken from territories that it has occupied since the 1967 Arab-Israeli war. Israeli Foreign Minister David Levy quickly rejected a proposal "We disagree here," he said. And Prime Minister Yitzhak Rabin declared: "We are not inclined to make such concessions that would actually set neighbors and not give us our full security."

Israel has long insisted that control of the occupied territories, with their 1.75 million strong Palestinian population, is a necessary safeguard against attack. As well, members of Israel's parliament and religious

Crowd waiting to welcome home U.S. troops, Pope Air Force Base, N.C. (AP/Wide World)

right wing insist that the West Bank, in Judea and Samaria as they call it, is an integral part of Israel. Still, Shamir obviously hoped to ease the atmosphere for Baker's visit by playing up the partial PLO's speech of which his government approved. Bush's failure to mention Arafat on the PLO, and his emphasis on arms control and regional co-operation before Baker's arrival in Israel, Yossi Akshar, director of Shamir's office, raised the possibility of a "regional peace conference" involving Israel and one or more Arab states. Meanwhile, in Riyadh, after Baker's two-hour meeting with Saudi Arabia's King Fahd, a senior U.S. official said that the Saudis were prepared to be "active" as an Arab-Israeli peacekeeping process.

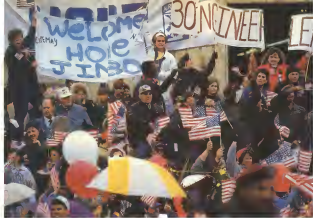
In Jerusalem, Levy wanted his cabinet colleagues that it would not be enough for them "to put on our helmets and take shelter in our bunkers." Instead, he urged, they should take the diplomatic offensive and present a peace plan of their own. And the outline of that plan began to take shape last Friday when Akshar declared that the government was studying a proposal for a regional conference between Israel and a delegation of Arab states. "If you have not solved relations between Israel and the Arab states," said Akshar, "you have done nothing about the Palestinian problem."

Many analysts said that Shamir's first diplomatic move may well be with Syria, which has won a measure of international respectability by fighting with the U.S.-led coalition against Iraq. But any treaty between Damascus and

Jerusalem would clearly have to include the return to Syria of the Golan Heights, which Israel occupied in 1967 and annexed in 1981. And Shamir has repeatedly told Jewish settlers on the Heights that they will never have to leave.

The tentative Israeli proposal for a regional peace conference appeared to represent a measure of new thinking in Israel. But with it came some old thinking: the revival of Shamir's 1980 proposal for elections in the West Bank and Gaza, to be followed by Israeli local autonomy. Later, Shamir himself effectively contradicted that plan after subcommittee members of his governing coalition had vigorously opposed it on the grounds that it would weaken Israel's hold over the territories. And the plan, led by Shamir Minister Ariel Sharon, indicated last week that it would still be again. In fact, according to a plan that two left-wing MPs leaked to the media, Shamir's ministry intends to build 24,000 homes, accommodating 44,000 Jewish settlers, in the West Bank this year—almost doubling the existing Jewish settler population of 90,000. The U.S. administration has frequently denounced such settlements as an obstacle to peace. Does the changed climate of the post-Gulf War era, the American diplomats seemed certain to run headlong into a host of old and intractable scenarios.

JOHN HEINMAN with ENOCH SILVER in Jerusalem. WILLIAM LOWMEYER in Washington and E. KATY PAXTON in Ottawa



World Notes

ALBANIAN EXPOSÉ

Rome, sharply announced that they would send home most of the 12,000 expatriated Albanians who had stormed ships at the Albanian port of Durres and fled to Italy. They made their decision after some of the Albanians, who had disembarked at Brindisi, Italy, began noting to gain access to food supplies. Albanians, which is scheduled to hold its first free elections this month after 45 years of hard-line Communist rule, put Durres under military control.

MANDELA ON TRIAL

Kinshasa, a key witness in the kidnapping and assault trial of back across at Watan Mandela, 55, testified that six people, locked into a room with him and three black youths at her home in South Africa's Soweto township in December, 1988. Kgori and another witness had refused to testify when the trial began last month, claiming that their lives were in danger, but agreed to take the stand last week. Mandela, wife of African National Congress leader Nelson Mandela, has denied the charges.

POLICE BRUTALITY

Los Angeles Police Chief Daryl Gates said that he would press charges against three policemen after TV networks broadcast a videotape that shows white officers beating and kicking a black suspect. The incident, filmed by a nearby resident, occurred on the night of March 3 after police stopped Rodney King, a 25-year-old convicted carjacker on parole, for speeding. Los Angeles Mayor Tom Bradley, who is black and a former policeman, said that he was "shocked and outraged."

FORMER IN INDIA

Indian Prime Minister Chandra Shekhar resigned after the Congress party, the largest member of Shekhar's shaky coalition government, boycotted parliament. Shekhar also came to govern for less than a year after a controversial ruling against the collapse of a previous coalition government, called for general elections.

MAJOR TROUBLES

In a stunning by-election defeat, British Prime Minister John Major's ruling Conservative Party led a traditionally weak seat at northern England to the extent Liberal Democrats. Party Ed polls showed that voters reacted to an unpopular poll tax. The result came as a surprise because many voters in the region had voted for Major, who succeeded Margaret Thatcher last November, in the most popular British premier in 30 years.

KUWAIT

The chilling aftermath

Kuwait suffers the ravages of occupation



Celebrants in Kuwait City amid demands for reforms, foreigners begin the postwar cleanup

There was no shudder from the cutting wind that sliced across the desert of northern Kuwait last week. Heading south beside the lonely highway from Iraq to Kuwait, scattered groups of raggedly dressed men huddled just inside the Kuwaiti border, wrapped in blankets against the cold. One group, former Kuwaitis of Indian, Egyptian and Palestinian descent, said that Iraqi troops had abducted them from the streets of Kuwait City in January and taken them to prisons in Iraq. Freed during chaotic riots that followed the war's end, the men said that they were now trying to return home. But with the war's aftermath of suspicion and revenge, Kuwaiti mobsters and soldiers running checkpoints had blocked their way. Ahmad Mohammed Taher, a 22-year-old Palestinian student who was dropped in gauntlet, said: "My family is in Kuwait, but Kuwaitis won't let me in. They say 'Go to Jordan.'" Asked Mohammed Ibrahim Mohammed, a 26-year-old Egyptian who worked in Kuwait City as an air-conditioner repairman: "Does Kuwait have no heart?"

That was a question which Kuwait's returning government appeared unable to answer last week. Kuwait appeared to be locked under the spell of its seven-month occupation. Stores remained shuttered. Local currency had vanished. The country was without electricity or

running water, and perhaps could from dayways and alleys into the streets of Kuwait City. Most crucial to the country's future, \$50 billion oil wells continued to burn a total of six million barrels of oil daily, a deadly recipe for economic and environmental ruin.

But despite the mammoth reconstruction task, most Kuwaitis had an apparently unshared appetite for celebration. The daily afternoon parade along Kuwait City's congested boulevard remained a showcase for luxury cars that citizens had managed to hide from Iraq's pillaging army. It also produced a lethal routine—several people have reportedly been killed by celebratory gunfire. It was left to foreigners to begin the cleanup. Britain's Royal Navy swept mines from the capital's harbor, guided by an abandoned Iraqi map showing where they had been placed. And a consortium of foreign companies, including Calgary-based Safety Nova Ltd., began drilling plans for tackling the task of capping the wellheads.

For a country that had been expected to greet its liberation with political and social reforms, the sluggish response struck many Kuwaitis as worrisome. Some, however, did express hope that the economic rebuilding would coincide with democratic reform. "We want to do what Japan and Germany did after the Second World War," said Ahmad al-Otaibi,

a 35-year-old computer engineer. "People will be pushing hard for democracy." But in his first public statements after his return to Kuwait, Crown Prince Saad al-Abdullah al-Sabah, who is also the country's prime minister, said only that his government would study suggestions that women and residents of non-Kuwaiti heritage be given the right to vote.

The prince said that a firm-month period of martial law might be extended. Postwar tensions and grudges have turned once-peaceful Kuwait City into an armed camp. Kuwaitis hunted Iraqi Palestinians who they claimed had collaborated with the Iraqi. Self-proclaimed resistance fighters, dressed in an eclectic mix of uniforms and bearing automatic weapons, set in co-creative-style street clashes at night, major intersections. Without a doubt, Kuwaitis have uncovered the military in their soul. "We used to be neutral because we were businessmen first," said Ahmad Saleem al-Mutairi, 33, his anti-occupation posturing on his lawn as he patrolled nearby deserted streets in a police van. "But we will never forgive the Iraqis. There is blood between us now."

To ease such anxiety, Iraq's retreating army did more than simply plunder Kuwait of its cultural and financial treasures. The war has left most of the country in a frozen-drum of death. Bomb craters and the sight of white columns of coalition cluster bombs and the side of the road through northern Kuwait. Further to the south, at Musalla, outside Kuwait City, looters sift through the molten wreckage of an Iraqi carrier that an allied air strike blasted on Feb. 26 last week, as the Kuwaiti army patrol passed the last recognizable Iraqi dead in the highway's sandy median. And further north, the desolate landscape is broken only by refugees dragging suitcases and carrying children southward, sheltered against the burning fires from the Air-Raiders' missile field.

Faced with a massive rebuilding job, the Kuwaitis may have no choice but to open the country to new ideas and methods. Said Salamun al-Mutairi, the government's planning minister: "There can be no going back to the Kuwait of Aug. 2—flat and fairly and ordinary on the inside." Some Kuwaitis appear ready to pick up that standard. "My city is dead," said a determined al-Mutairi, "but we have the money and brains to bring it back." Overhead, just moments later, two British Tomcats fighter jets did victory rolls before streaking out of sight, back to their base in England. Below, they left a hazy—and traumatized—country to grapple with an uncertain future.

BRUCE WALLACE in northern Kuwait

STOCK PHOTO BY THE SPY GLASS AND PHOTO BY THE SPY GLASS BY MICHAEL J. COOPER LIMITED



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IRAQ

The fight for his life

A popular revolt threatens Saddam Hussein

In northern Iraq, rebellious Kurds claimed that they had liberated three towns on the main highway linking their contentious province with the capital, Baghdad. In the south, Shiite Muslims rebelled against the Sunni Arab cities and towns from Iraqi subsidies—and that rioting had broken out in Baghdad itself. Since Feb. 28, when U.S.-led coalition forces drove Iraqi occupation troops out of Kuwait, fragmented accounts of a popular uprising against President Saddam Hussein have filtered out of Iraq. Last week, along the Iraq-Kuwait border, a stream of refugees who had fled Basra, Iraq's second-largest city, described raging battles there. Matar Saad al-Matar, a Kuwaiti colonel freed by Iraqi rebels from a Basra prison on March 5, said that opposition forces had gained control of the port city but were under attack by elite Republican Guard units. And Youssef Wahabi, an Egyptian who crossed into Kuwait with his wife and four children last Thursday, told *Newsweek*: "Tanks are moving through the streets and people are throwing grenades from cars."

Hussein was clearly concerned about the uprising. A consummate survivor who emerged unscathed from the oil-crunch misadventure in Baghdad, he now faces a potential outbreak of opposition that the U.S.-led coalition had openly encouraged. Late last week, Hussein expelled all foreign journalists from his country, an action that some opposition leaders claimed was a prelude to a brutal crackdown. Meanwhile, the Iraqi leader fired his exterior minister and replaced him with one of his own cousins, Ali Hassan al-Majid, who earned a reputation for radicalism in 1968 when he ordered that the British troops to help afe a Kurdish rebellion in the northern Iraqi town of Halabja.

To ensure the loyalty of his Republican Guard, Hussein also announced \$350-a-month bonuses for the battle-hardened troops. But many analysts said that Hussein's hold on power is tenuous. "Saddam Hussein is broadly speaking, finished," said Elwan Karim, an Iraqi specialist and lecturer in war studies at King's College in London. "But he may succeed in suppressing the revolt against him. And it may take some time for him to lose power."

The rebellion in southern Iraq are Shiites who make up 25 per cent of the country's population of 27 million. They are loyal to Iraq's

opposition leader Mohammed Bakir al-Maliki, who lives in exile in Tehran. Throughout the Middle East, anti-Iraqi Arab media welcomed the insurgents against Hussein, who is a Sunni Muslim. But several commentators claimed that victory by pro-Iranian Shiite extremists could lead to the partition of Iraq into Shiite, Sunni and Kurdish states. Wafa al-Muhammed al-Muhammed, editor of Egypt's state-run weekly *al-Muhammed*, "It is not in the interests of Arabs to have Iraq disappear from the Arab map or be divided into three states."



Freed Kuwaiti refugees in southern Iraq fragmented accounts of anti-Hussein uprisings

In Iraq, President Ali Akbar al-Hussein Bakir al-Hussein denied that his country, which led Iraq to an eight-year stalemate in the 1980s and remained neutral during the Gulf War, was actively supporting the Iraqi revolt. But Bakir al-Hussein urged Hussein to "submit to the will of the Iraqi people." Meanwhile, Iraqi opposition leaders claimed that Hussein last week offered to share power with them, but that they had refused. Meanwhile, al-Maliki, a representative of Iraq's exiled Dawan party in London, told *Newsweek* that a democratic parliamentary system must replace Hussein's dictatorial rule. But Karim said that Dawan proponent should be taken "with a large grain of salt." He added, "They are a fundamentalist Islamic party and they would institute religious, anti-ethnic rule."

As the revolt continued, Baghdad coughed

with some of the UN Security Council resolutions passed after the Aug. 2 invasion of Kuwait. It released 47 allied arms, including 35 Americans, and freed at least 1,300 Kuwaitis seized by Iraqi soldiers during their retreat from the occupied country. The troops also handed over 40 previously missing Western journalists, whom soldiers had detained in Basra on March 3, to the Red Cross in Baghdad.

Meanwhile, in Damascus, eight Arab countries in the U.S.-led coalition against Iraq agreed to form a peacekeeping force to maintain positive security in the Gulf. After a two-day meeting, the foreign ministers of Syria, Egypt, Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the United Arab Emirates issued a statement saying that the force would consist mostly of Syrian and Egyptian troops. They would replace American, British and other Western ground forces in the region.

All the same time, Western analysts said that returning Iraqi troops, describing their humiliating defeat at the hands of the allies, could fuel discontent. In Washington, David McCarty,

the chairman of the House Intelligence Committee, said that the coalition's victory "owed the credit" to Hussein's demise. Declared McCarty, "We have more than doubled his military and his bankers. We have crushed the foundation of his rule." If Hussein is overthrown, the result could be unfavorable to Western interests. Throughout the Iraq-Iraq war, the United States and other Western countries helped to support Hussein as a bulwark against the spread of Iranian-style Islamic extremism. Now, by routing him in another war, they may have created an opportunity for Islamic fundamentalists to take over the leadership in Baghdad.

ANDREW HILKES with DEBBIE WALLACE
in southern Iraq and ANDREW HILLMAN
in London

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Gorbachev in Minsk: beginning an election-style campaign for national unity

THE SOVIET UNION

Crisis in the Kremlin

Gorbachev walks a minefield of discontent

Dis-covered and disgruntled coal miners across the Soviet Union sounded a note of alarm in the Kremlin last week. From the Donetsk Basin in eastern Ukraine to the quadrails of western Siberia, they laid down their tools at more than 50 mines, demanding higher wages, more space—and a radical change in the country's political leadership. The strike threatened to add late-winter fuel shortages to a countryside full of scarcities. And that eruption of working-class discontent could further undermine Soviet President Mikhail Gorbachev as he engages in a bitter power struggle with reform, independence-minded republics. Even as the miners were willing over their jobs last week, Latvians and Estonians were voting in favor of independence from the Soviet Union. Gorbachev dismissed those politicians as illegal fascists, he urged citizens nationwide to vote for a new draft Soviet referendum in a March 17 referendum. And Gorbachev, by actively campaigning for the people's vote, has increasingly tied his personal prestige to an alternative response.

The Soviet president is attaching great importance to the national vote. Last week, he described it as nothing less than a vote on preserving the union. In late February, during

his first domestic excursion from Moscow in six months, he began an election-style campaign by visiting the Belorussian capital of Minsk. In four stops that included a visit to the V. I. Lenin Tractor Works, Gorbachev renewed his pledge to maintain the Soviet Union's current borders. And he accused his arch-enemy, Russian Federation President Boris Yeltsin, and other reformers of fostering anarchy. Declared Gorbachev: "The democrats are striving for power. They have decided to use what some analysts define as neo-Bolshevik tactics. It is the transition of the struggle to the streets: organizing demonstrations, rallies, strikes and hunger strikes."

Gorbachev urged Soviet citizens not to support the reformers but, instead, to respond positively to his \$76-million question—the estimated cost of staging the countryside referendum. That question: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics as a reformed federation of equal, sovereign republics in which human rights and freedoms of all nationalities will be fully guaranteed?" The independent weekly *Moscow News* said that, given the weakened state of the union, "we will be asked to buy as already said above, with the promise that it will be carried and will win some day." Still, most ana-

lysts predict that Gorbachev will win the vote, citing factors that range from the Communist party's energetic promotion of the referendum to many voters' fears of further political chaos.

Even while Gorbachev sought public support for his vision of a united Soviet Union, he was also reinforcing his already strong executive powers. Last week, the Soviet parliament approved eight of Gorbachev's nine handpicked nominees to the Security Council, a powerful new cabinet that will meet daily to advise the Soviet president on defense, foreign and economic policies. The council has only one known reformer, former cabinet minister Vadim Bakatov, as a lineup of conservatives that includes Interior Minister Boris Pugo and Defense Minister Dmitry Yazov.

The growing influence of hard-liners, however, has provoked open opposition among reformers and many workers. Although the miners had immediate demands last week, including monetary benefits and more basic consumer goods, their strike also had political dimensions. Under the direction of the Independent Union of Miners, an 80,000-member body that was formed last fall to replace Soviet state-run unions, the strikers are openly siding with Gorbachev's rival Yeltsin. They have expressed support for the Russian leader's demand that Gorbachev resign. Gorbachev's response: a pointed warning that the Soviet Union would plunge into civil war if Yeltsin-led democrats were to succeed in forcing him from office.

The March 17 referendum has become the key issue in the power struggle between the central government and the 15 Soviet republics. All of them have announced their intentions to gain more powers, or outright independence, from Moscow. And six, including the three Baltic states, have refused to participate in the referendum at all because they say that doing so would compromise their intentions to break free of the Soviet Union.

The Baltic republics, in effect, have already said no in their responses to Moscow's referendum. In their republic-wide polls early last week, an overwhelming majority—74 per cent in Latvia and 78 per cent in Estonia—voted in favor of regaining the national autonomy they lost in 1940, when the Soviet Union forcibly annexed them. The results mirrored a similar vote in Lithuania on Feb. 9, when 90 per cent voted in favor of independence. In both Estonia and Latvia, a sizable number of ethnic Russians, who make up about 30 per cent of the population in each republic, supported the independence drive. Said Latvian Vice President Andrijs Kozlins: "New Latvians have proved that they

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men with the Latvian nation and are supporting the cause of independence."

Meanwhile, Moldova and the Transcarpathian republics of Armenia and Georgia have rejected any voting in the early referendum in their territories. Georgian legislators and last month that the republic's voters had twice indicated their preference for independence—shortly before a Soviet takeover in 1921, and in 1990 elections that resulted in an independence-seeking government. "Mindful of this," they declared in a legislative statement, "the Georgian people are not facing the problem of holding a referendum on the future of the Soviet Union." In the face of such defiance, Gorbachev has described the six republics' stand as unlawful. And he dismissed the enormous shows of support for Baltic independence as nothing more than sociological surveys that were aimed at undermining Soviet law.

Kremlin loyalists, meanwhile, have expressed their determination to conduct referendums within the independence-seeking republics—at least in such pro-Moscow strongholds as Belarussian lands. In Russia itself, the largest and most populous of the Soviet republics, Gorbachev will face an uphill challenge in his leadership during the all-union referendum. Yeltsin's supporters in the Russian legislature do not try to block the referendum from taking place. But they did another question to the ballot, one that asks if voters want the republic's president to be elected by popular vote.

Gorbachev has shown little enthusiasm for such a test. But Yeltsin, who has consistently topped polls as the Soviet Union's most popular politician, strenuously maintains its status before the voters. Declined Yeltsin last week, "The question of who is going to be leader of Russia should not be settled behind closed doors. The electorate can decide this best of all."



Voters in Latvia: a defiant show of support for independence

Russian approval for a popularly elected leader would aid Yeltsin in the so-called war of the presidents, the intensely personal power struggle between the Russian leader and Gorbachev. That conflict arose on Feb. 19 when, in a nationwide television broadcast, Yeltsin accused Gorbachev of obstructing a dictatorship and called on him to resign. In response, Gorbachev's supporters in the Rus-

sian legislature—which appointed Yeltsin to his current post last year by a four-vote margin—succeeded in arranging a special session of the People's Congress of Deputies, an electoral assembly that picks the members of the legislature and has the power to remove the leader from office.

But pro-Yeltsin legislators achieved a significant tactical victory of their own when they managed to delay the start of the special session until after the March 17 referendum. Their reasoning: the voters' expected preference for a popularly elected president would help Yeltsin to ward off any legislative attempts to oust him from office.

In any event, Moscow-based economist Viktor Shomov predicts that most voters will favor a referendum, if not unilateral, Soviet Union. Shomov and other analysts, however, say that the Kremlin-sponsored poll will not end the sharp power struggles between the center and the republics—rivalry between Yeltsin and Gorbachev. Nor will it help the Soviet president to solve the country's desperate economic problems.

Peril Shomov: "Moscow has run out of patience with the way they are living. Given the most basic goods are in short supply." As a result, even if Gorbachev wins the referendum, his political fate may still be ultimately decided by his ability to provide hours of soap.

MALCOLM GALT in Moscow

BALKAN BREAKDOWN

A late-night brawl in the local, cosmopolitan, or hamburger restaurant, is the most serious source that usually affects the sleepy Yugoslavians from Belgrade. But last week, the town, 300 km northwest of Belgrade, became the site of a bitter clash between the country's two main ethnic groups, the Serbs and the Croats. There, a rampage of partisan violence in Belgrade at week's end set Serbs against Serbs—another tear in the fabric of a nation that is fast coming apart.

In the capital, tens of thousands of Serbs demonstrating against their republic's Communist government battled with riot police. Then, Yugoslav army tanks and troops in armored vehicles with machine guns rumbled into the city center. At least two people died and dozens were injured in

the city's worst violence since the Second World War. Police arrested Serbia's opposition leader, Vuk Draskovic.

In the clash at Pale, an isolated Serbian community inside the Croatian republic, Serbs accepted the local police station and declared the town's independence. That sparked a riot. With 400 Croat police there, they shot and killed five people. But in Yugoslavia's overcast atmosphere, a Serbian commander in Belgrade called the clash a "massacre," saying it was a spate of anti-Croatian protests. In nearby Banja Luka, one speaker told a cheering crowd of nearly 70,000 Gorbachev: "The blood of our brothers will be avenged."

Croatians and ethnic Albanians have played Yugoslavia since its formation in 1918 as a union between southern Slavic states and remnants of the Austro-Hungarian Empire. After the Second World War, the Communist regime of Marshal Josip Tito kept these tensions in check. But federal authority waned after Tito's death in 1980, and growing ethnic and unemployment throughout the 1980s

fueled nationalist uprisings. Last year, in the wake of predominantly Serbian-led riots that toppled Communist regimes in Bosnia, Herzegovina, and Vojvodina, six non-Serbian elected governments on nationalist platforms. And the northern republics of Croatia and Slovenia threatened to secede from the union since they were granted greater autonomy. That has brought the country's open conflict with the leaders of Serbia, the largest republic, and the Serb-dominated central government.

If Yugoslavia does break apart, Serbian leaders say they will demand a revision of annual borders to incorporate 5.5 million Serbs living in other republics, including the 500,000 who make up about 10 percent of the population of Croatia. In the Balkans, a region where very little decade decision. Yugoslavia's future as a nation appears increasingly hopeless.

MARY NEMETH with LOUISE BRANSON in Pale

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GIVING UP, MOVING OUT

CANADIAN
MANUFACTURERS
SAY THAT BUSINESS
IS BETTER IN THE
UNITED STATES

Paul Davidson is the sort of businessman that Canadian union leaders love to hate. Davidson, 46, is president of Tindco Ltd., a 85-year-old Burlington, Ont.-based consumer-products company that is sheding its production of vapor blades, lawn clippers and trimmer flashers from two factories in southwestern Ontario to Tennessee. When Tindco completes its move in the summer, 500 Canadians will lose their jobs. Davidson acknowledges that many people are angry at his company for moving south. But he says that the firm was forced to relocate because interest rates, taxes, transportation costs, employee benefits and raw materials are all far less expensive in the southern United States than they are in Canada. Indeed, he added that Canadians themselves are partly to blame for his company's move because they have failed to modify their high wages, exorbitant taxes and expensive social programs in the face of international competition. "At a time when the rest of the world is going global," Davidson says, "Canadians have become too inward-looking. We just can't afford our expectations."

Tindco is far from alone. Across the country, long-established manufacturing firms are packing up and moving to

the United States and Mexico, drawn by a mix of lower start-up and operating costs including lower taxes, wages and employee benefits. As they leave, most deny a piling slap at Ottawa's tight monetary policies, which have kept interest rates higher than in the United States and pushed the dollar from 69 cents (U.S.) in 1986 to its current, less competitive level of about 85 cents. Although so few can say exactly how many companies have left the country recently, Statistics Canada says that the number of workers employed in the manufacturing sector fell by 56,000 last month, bringing to 389,000 the number of manufacturing jobs that have disappeared since January, 1989. Laurence Thériault, outgoing president of the Canadian Manufacturers' Association (CMA), said that the current recession is responsible for some job losses. But he added that many other factors are forcing companies to reconsider their future in Canada. Declared Thériault: "It's very tricky to manufacture in Canada. People are finding that we are just not competitive."

Canadian Labour Congress spokesmen say

that a major cause of the accelerated migration is the 1989 Canada-U.S. Free Trade Agreement. But FTA defenders say that the agreement has simply forced companies to take a closer look at their costs and their ability to compete with foreign firms. Said Cedric Ritchie, chairman of the Bank of Nova Scotia: "High wage settlements, a significantly overvalued dollar and lagging productivity have made Canada's goods less competitive, particularly in the U.S. market, than at any time in our history." Added Ritchie: "There is no doubt that Canadian firms are adjusting to the Free Trade Agreement. The problem is that too many are adjusting by leaving Canada."

Others think about Canada's manufacturing outlook has spread into the boardrooms of some of the country's largest and best-known corporations. Vancouver-based entrepreneur Jimmy Pattison, for one, who controls about 55 companies with combined annual revenues of more than \$2.5 billion and 13,000 employees, said that he has reconsidered a wide range of options concerning manufacturing costs in Canada with those in the United



Fish Ritchie (below): "I want to make the product in Canada, but I cannot afford to be uncompetitive."

States and Mexico (page 48). Pattison added that he is expanding his U.S. holdings and is moving many of his key employees to U.S. locations. He declared: "If we can't get our costs in Canada down, including labor costs, we will move to the United States, step back into Canada and then reduce our assets up here."

Adam Zemanowicz, the outgoing chairman of Toronto-based Noranda (Pentel), is another well-known business leader who expresses concern about the loss of Canadian industry to the United States. But Zemanowicz, whose company owns a paper mill in Maine, a forestry plant in Alabama and a newspaper in Ontario, says he understands why so many Canadian companies are looking for opportunities in the United States. He added: "People in the United States like business. They work harder—and they work harder for less. If you are in a business that can move, why bother with the hassle of staying in Canada?"

Many executives whose companies rely on export sales say that they are angered and

colored by their declining ability to compete globally. Aaron Fish, president of Montreal-based and wholly-owned Security Systems Ltd., for one, had off 100 of his 700 employees last month because the high value of the Canadian dollar has hurt sales in the United States. Fish said that he will lay off 100 more workers

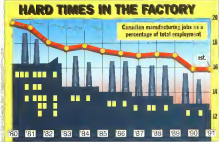
later this year if there is no significant drop in the exchange rate. He would then shift some of his production to two existing plants in North Carolina, where wages are up to 85 as low as 60. "Essentially, I am a Canadian and I want to make the product in Canada," Fish said, "but I cannot afford to be uncompetitive." Far from blaming the FTA, Fish says that the agreement helped Canada by removing a 10-per-cent U.S. duty on locks and keys. "But then the government whined as well as a 15-per-cent higher dollar," he added. "So now we're out of the ball game."

Many other firms are coming to the same conclusion. In April, 1990, the CMA surveyed 635 of its 2,500 members and found that 313 of them had already examined the competitive opera-

ting in the United States rather than in Canada. Of these, 337 concluded that it would be cheaper for them to manufacture south of the border. And 316 of the CMA's member companies said that they had already been approached by a U.S. state or local government official trying to entice them to relocate.

Indeed, many U.S. officials are stepping up their efforts to attract Canadian firms. Last week, the mayor of Chardon, Ohio, a city of 25,000 about 100 km east of Cincinnati, placed an advertisement in a Toronto newspaper inviting manufacturers to an "information seminar" to discuss "site locations, financing and tax incentives" for firms that move to his municipality. "We're not here to push business away from Canada," Mayor Joseph Silety said after meeting with about a dozen executives at a Toronto hotel. "But we feel we have a great deal to offer."

Cheaper. One businessman who attended the seminar, but requested anonymity, said that he is planning to move his company out of Canada because most of the market for its range of paper products is in the United States. He added that another factor behind his decision is the much cheaper cost of operating a business in Ohio. "The situation in Ontario is almost intolerable," he said. "I heard last today that we can buy serviced industrial land in Ohio for between \$7,500 and \$22,500 an acre. In



THE FTA IS FORCING MANUFACTURERS TO CONFRONT THEIR PROBLEMS

Toronto, that some areas would cost half a million dollars."

Many labor leaders say that the best way to stop the exodus—and the job losses—is to cancel the two-year-old FTA. They claim that once more jobs will be lost if Ottawa signs a new round of multilateral talks this summer. The talks are intended to create a three-way trade area encompassing Canada, the United States and Mexico (page 42). Sam Ervin Campbell, an economist for the 3.2 million-member Canadian Labour Congress: "The FTA risks, in the night of businesses to attract according to their own priorities, without fear that public protest will intervene."

Professor Campbell said that the departure of so many companies is likely to increase pressures to reduce Canada's elaborate social welfare system—including such programs as welfare, unemployment insurance and medicare. "Before this type of competition was allowed," he added, "there were social and ethical rules that required Canadian companies to operate within certain constraints—things like labor standards, health-and-safety regulations, collective bargaining rules and pay equity. But as business moves at will, there is incredible downward pressure on social issues that Canadians are sensitive about."

During the 1988 federal election campaign, Prime Minister Brian Mulroney repeatedly dismissed as scaremongering the opposition



Stockwell blaming free trade for his tomato sales

Said the 39-year-old farmer: "You can't pick corn, or anything else, with a tomato harvest. By the time you're picking, you're out of season."

The plant's closing also threw 40 full-time and 700 seasonal employees out of work. In all, about 33,000 workers have lost their jobs in the food-and-beverage processing industry in Canada since November, 1984. Tibory Mayor Charles Corrick says that the shutdown will cost his community about \$34,000 a year in lost property taxes alone. Said Corrick: "Anything like that hurts."

Still, Hart-Weissen Canada president Tabor Maura says that the company had little choice but to close. "We recognize it's not easy for anybody," he adds. "Basically, it is an issue of cost."

Maura says that production costs at the Tibory plant were 25 per cent higher than in the United States, in part because the

business" in order to improve the country's productivity. A background document tabled with the budget explained that in the 1970s and early 1980s, Canadian losses too dependent upon "subsidy programs that too often served effort rather than success" and thereby payments to individuals that "were diluted in order to work, save and invest."

Government officials acknowledge that the southward migration of manufacturing firms has eroded across provinces. Said a senior Wilson adviser: "It's not the job losses themselves that worries us. We're being shedding manufacturing jobs within Canada for 18 or 19 years as companies become more productive and efficient. The problem now is that we are losing the manufacturing activity itself to the United States. Once those jobs go outside Canada, they're not coming back."

The official added that the "income loss, in interest rates should" buy us a lot of breathing space" by reducing the cost of borrowing for Canadian businesses. But in the longer run, the official said, Canadians are going to have to make what most labor leaders wish to live in. He added: "The real concern are tax levels, the regulatory environment, pay equity and so on. Canadians are getting things from government that people elsewhere do not get from government. We have to ask ourselves if we can

company's U.S. facilities are larger and more efficient. In addition, wholesale tomato prices are about 25 per cent higher in Canada than in the United States. Stockwell says that he understands Hart-Weissen's decision. He Maura has predicament on the 1988 Canada-U.S. Free Trade Agreement, under which Canada's 130-year-old tariff on imported tomato products is to be phased out by 1990. Declared Stockwell, who purchased his farm in 1974: "It's a free trade issue. Food processors no longer have to process here to sell here."

His immediate challenge is to find a new customer for his crop as he can continue to make a profit. That the national manufacturing processor, if J. Henry Co. of Canada Ltd., in Lexington, already has enough tomato growers under contract. Said Stockwell: "I just don't know what I'm going to do. It's very stressful to see 17 years of farming gone down the drain."

BARBARA WICKENS

reely offered cost structures."

Other analysts, as well, and that the loss of jobs to the United States is a symptom of deeper economic problems. Murray Smith, director of the Ottawa-based Centre for Trade Policy and Law, said that the federal government's massive borrowing to service the \$389-billion national debt forces interest rates to rise and makes it more expensive for private companies to invest in factories and new technology. Said Smith: "The issue is not just a few jobs shifting from Canada to the United States—it's how the whole Canadian economy will find its way in the world."

High-tech: But Smith maintained that the loss of Canadian manufacturing jobs has a positive aspect. He said that some of the disappearing blue-collar jobs will be replaced eventually by better-paying jobs in industries that require a higher level of education from employees. These industries include health care and high technology.

Still, the recent experience of some Canadian high-tech firms appears to contradict that assessment. Edward Steiger, for one, who owns a business and his 130 high-tech jobs to the United States. Steiger is president of Sterna International Inc., an electronics company that makes components for circuit boards at a Marlborough, Ont., factory and sells them in dozens in Europe, the United States and the Far East. He says that he will divide within the next 18 months whether to get a stream of companies moving to Buffalo, N.Y., where he already maintains a



Blomberg and Earl Dixon: taking five steps backward

warehouse and a sales office (page 44).

Apart from the higher costs of running his business in its current location, Steiger says that he is annoyed by the amount of government regulation at Canada—including Ontario's recent pay equity legislation, which requires companies to pay women at the same level as men for work that is considered to be of equal value. Said Steiger: "I don't need govern-

ment to tell me I have to pay people a certain amount. Government regulations are a stranglehold."

Meanwhile, employees throw out of work when companies move to the United States lose numerous personal services. Last month, Blomberg's Dixon and her husband, Earl, discovered that the auto-parts factory where they work in Port Perry, Ont., 65 km east of Toronto, will shut down on April 15.

The company, Johnson Controls, has plans to transfer the factory's production of car seat belts to Tennessee. Although she left school after Grade 9, Dixon, 38, has been teaching high-school students in her spare time with the aim of becoming a certified general accountant. Dixon, who has two sons, aged 7 and 11, adds that she is convinced that there is no future for her on the factory floor. "I don't see a future here," she says. "We're throwing the dice and just hoping that it stays open." The odds are that, unless the business climate in Canada improves soon, many more factories will shut shut.

PATRICIA CHISHOLM with BARBARA WICKENS in Toronto and ROSS LAYNE in Ottawa

REAPING GRIM RESULTS

Surrounded by flat, fertile fields, the town of Leamington, Ont., calls itself the Tomato Capital of Canada. The Douglas Stockwell is one of about a dozen farmers in the area who are actually to grow just tomatoes the season in most of the past eight years. Stockwell planted his first tomato crop in 1974 and has since moved to Hart-Weissen Canada, the subsidiary of a U.S. food processing conglomerate. Hart-Weissen then turned Stockwell's tomatoes into tomato sauce and ketchup at a plant in Tibory, Ont., about 20 km north of Leamington. But, in November, Hart-Weissen closed its Tibory plant and announced that it was shifting its tomato processing operations to the company's four existing plants in Ohio and California.

Stockwell says that he has tried to find another purchaser for his tomatoes, but without success. As a result, his \$580,000 worth of specialized planting, cultivating and harvesting equipment may remain idle.

A FRESH BREATH OF OPTIMISM

Forrestal Batten leaves behind the thought that U.S. competition poses for Canadian manufacturers. In 1983 and 1984, Batten was president of the production U.S. National Association of Furniture Manufacturers. But when the opportunity arose for Batten to challenge the big U.S. furniture makers, he went to it. In 1985, he and four other investors purchased the Redwood Furniture company of Stratford, Ont. Batten then moved to Canada to operate the firm, bringing with him his Batten experience. Says Batten: "I don't understand all the negativity in Canada."

Indeed, in the past two years he has been involved once for Canada's furniture industry. According to the Canadian Council of Furniture Manufacturers, 36 of the country's 1,800 furniture makers have closed their doors since the 1989 implementation of the Free Trade Agreement. Under the agreement, Canada pledged to phase out a 15-per-cent tariff on U.S. furniture imports

over five years. Another 15 companies have moved all or part of their operations to the United States to take advantage of lower costs and to be closer to the larger U.S. market.

Still, Batten says that he is not in a pessimistic state. He says that his company, which has 188 employees, will prosper in Canada. The key to making money in a crowded field, he adds, is to focus on a narrow part of the market. Focused in 1986, Redwood Furniture specializes in high-quality bedroom and dining room sets—a standard Louis xviii-style dining room set sells for about \$7,500. With that strategy, the firm made money to compete with larger companies that pay lower wages to mass-produce furniture at places like Massachusetts and North Carolina. Says Batten: "Those companies are turning out a low-priced, lower-quality product."

To control costs and improve efficiency, the company relies heavily on new technology. It

used to take several days to estimate the production cost of each piece of furniture—even a basic chair has dozens of components. Now, a computer does that calculation in minutes.

The company's future plans include a major expansion of the U.S. market, while retaining its Canadian production facilities. Batten says that he hopes to increase his U.S. exports to about 10 per cent of annual sales by 1990. He adds that the current level, "to help make that objective, Redwood has opened a sales office in Buffalo and employs a U.S. designer to ensure that its products conform to the tastes of U.S. consumers."

At a time when many of his competitors are struggling to remain in business, Batten is taking advantage of lower tariffs to claim a larger share of the North American market.

BARBARA WICKENS in Stratford

'LET'S GET GOING'

PATTISON PUSHES INTO THE UNITED STATES

Rising in a sub free-downtown Toronto to Pearson International Airport, Vancouver entrepreneur Jimmy Pattison is flipping through his diary. "All the squares in yellow and black are out of town," he explains, referring to his hectic travel schedule for March. "New York, Berkeley, Toronto, California, Washington state and then back to Europe." Pattison, 52, who built a \$2.5-billion empire from a single car dealership, says that he has been keeping a grandiose schedule since winding up his successful championship of Vancouver's Esso 96 and cementing his view of the worldwide Jim Pattison Group. "We use free trade coming and we thought it was good," he adds. "We begin to focus our efforts on the United States, looking for ways to expand our assets there." His efforts have been successful—four of his company's six main divisions now have substantial U.S. holdings. Says Pattison, "We're taking everything we've got and pushing into the United States. This is a whole new opportunity for the corporation."

Pattison's companies in try to work larger, faster and smarter than his competitors have earned him a reputation as one of Canada's most hard-driving entrepreneurs. His interests include car dealerships, electronics companies, ten TV and five radio stations in British Columbia, insurance distribution firms, Christmas Foods grocery stores in British Columbia and Alberta, three televisioning plants, packaging companies and a Swiss investment house. The holding company that controls his empire, the Jim Pattison Group, is the third-largest corporation in Canada and the fourth-largest owned by an individual.

Despite plans to expand further into the U.S. market, Pattison says that his head office will remain in Vancouver. "I like Canada—it's my home," Pattison says. But he adds that Canadians need to live up to the reality of a world in which national borders no longer offer protection from international competition. Says Pattison, "I keep telling our people to forget the border—it doesn't exist anymore."

Pattison's priorities are what he preaches. In the past three months, the signs downtown of the Jim Pattison Group have been seen in companies in Washington and Oregon. During the same period, he purchased magazine distribution companies in Alaska and Georgia. At the same time, he bought a 15 television franchise in Brazil. Colombia, Pattison appears to be particularly excited about his first foray into the U.S. car business, a company named Ford and Seattle franchise in Seattle that he bought last month



Pattison: 'Forget the border'

He is also moving key managers to the United States. Recently, he transferred several executives from his Toronto office to Atlanta and from Vancouver to Seattle and Anchorage. Says Pattison, "We're going to have to compete with the Americans, so let's get going."

That credo is pure Pattison. Born in Saskatchewan and raised in Vancouver, Pattison has been working since he was 11 years old. Through his teenage years, which coincided with the Depression, he delivered newspapers

and worked as a bellhop. He left university before graduating, and worked as a car salesman for 18 years before borrowing \$40,000 in 1961 to buy a General Motors dealership in Vancouver. Within three years, he had begun to expand into other areas, including real estate, radio stations and food processing.

Along the way, Pattison found time to marry his childhood sweetheart, Mary. The couple have three grown children and seven grandchildren. He is known for his habit of estimating guests on his 20-foot yacht, the Nova Sprung, by plucking the region, a talent he acquired while a member of the congregation at the Evangelical Tabernacle in Vancouver during his 20s. He remains a devout Christian and regularly attends church services in Vancouver.

Downside: While Pattison says that he will continue to operate out of Vancouver, he adds that he "absolutely" intends to reduce the scale of his Canadian operations. "In some businesses, we will be downsizing to a significant way," he adds. "Because we can produce more economically on the other side of the border." Although he would not reveal which divisions will be affected, he pointed to rising overhead in the manufacturing sector and the tendency among U.S. customers to transfer orders out of Canada to lower-cost competitors in the United States. Says Pattison, "If you're paying \$25 an hour and can get the same job done for \$15 an hour on the other side of the border and still stay each way, it's easy to see what will happen in a labor-intensive business."

Still, he says that it is possible for entrepreneurs to succeed in Canada if they dedicate themselves to cutting costs and increasing productivity. Says Pattison, "We as Canadians are spending our own heads. We're spending too much debt per capita and we've been consuming more than we've been producing." Like most businessmen, Pattison says that it is essential that Canadian manufacturers reduce their labor costs. But he also maintains that the select group of men and women who run Canadian business need to take a long, hard look at their own performance.

"Canadian management does not work as hard as U.S. management," he says. "We have to work longer hours and we have to work harder. You can talk about unions, but, in the final analysis, it is management that's got to set the example." For Pattison, that means investing a \$2.5-billion business empire in though borders were nothing more than lines on a map.

PATRICIA CRIBBOLM

EVERY TIME SOMEONE CHOOSSES NATURAL GAS, THE GUYS DOWN AT BINCHER'S POND SEEM TO SING A LITTLE LOUDER.

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REOPENING THE TRADE WOUNDS

MEXICO ENTERS THE FTA PICTURE

Striking a blow in his Centre Block office on Parliament Hill, John Crosbie issued his spectacular, rabidly his weary eyes and talked about the struggle ahead. Once again, Canada's International Trade Minister is fighting an uphill battle to convince Canadians of the benefits of continued free trade—as well as the potentially harmful consequences of refusing to join in. Three years after the tumultuous and bitter debate that preceded the 1989 Free Trade Agreement (FTA) with the United States, the 64-year-old Newfoundland is about to lead Canada into a trade and potentially domestic, road of trade talks with the United States—and Mexico. Clearly frustrated by swarms from union leaders and other opponents of free trade that low Mexican wages will attract Canadian companies to move there, Crosbie brushes aside the growing criticism. Declared the minister at a recent press conference. "If Mexico is a disaster panacea to Canada, that is true now, but they do not need a free trade agreement. We would be on our knees already."

Struggle: The pressures on Crosbie from all sides are intensifying as he plans Canada's strategy for the formal negotiations among the three countries, which will likely begin in late spring or early summer. Critics predict that U.S. trade representatives will use the talks to compare parts of the FTA that protect Canadian industries. For their part, many Canadian business leaders and other supporters of continued free trade acknowledge that some jobs and industries would be threatened under a three-way deal involving Mexico.

"Who can predict if it really will be terrible good for us in the end?" asked Christina Crosbie, an Ottawa-based agricultural and trade consultant who has conducted business in Mexico for 24 years. Still, Mexico and other free trade proponents say that Canada has no choice other than to take part in the upcoming negotiations. Otherwise, she added, Canada risks losing an important opportunity to expand its FTA booklet. "Declaré Mexico." "We cannot afford to stay out

because then we would be totally isolated."

Crosbie and his supporters maintain that if the United States signs a separate free trade accord with Mexico, it will place Canada at a severe disadvantage. Trade experts refer to such an arrangement as a "hub-and-spoke" system. Under it, firms would rush to the United States—the hub—because only companies located there would have tariff-free access to all three markets. Meanwhile, Canadian exporters trying to ship their products to Mexico would face higher duties than their U.S. competitors. Canadian manufacturers would also be denied the opportunity to buy low-cost Mexican parts, and Canadian consumers would have to pay more for Mexican imports. Said Ronald Wozniak, a professor of economics at the University of Western Ontario in London: "In an expanded Free Trade Agreement, Canada could expect further gains from trade. Under a hub-and-spoke, however, it could expect losses." Added Crosbie: "We intend to be part of the hub, not just a spoke."

Canada's trade with Mexico is currently tiny in comparison with its trade with the United States. In the first 11 months of last year, Canada's exports to Mexico totalled \$557 million while imports were \$1.6 billion. By contrast, Canada's exports to the United States in the same period were worth \$49.2 billion, while U.S. imports totalled \$81.6 billion.

Many Canadian business executives welcome the opportunity that they see flowing from a free trade deal with Mexico, and they agree confidently that they can compete with their low-cost Mexican counterparts, even in the Mexican market itself. "Last August, the Canadian Manufacturers' Association surveyed 389 companies and found that 96 per cent of them supported Canada's participation in three-way trade. Fifty-five per cent said that Mexico will become more important for Canadian exporters over the next 10 years. Said Todd Butler, the CMA's senior economist: "Manufacturers have come to recognize the membership of global

competitors."



Chihuahua, Mexico: many Canadian businesses welcome free trade opportunities

Federal officials and business leaders say that Canada's best prospects for greater exports to Mexico are in those industries based on advanced knowledge and technical expertise. These sectors include telecommunications, agriculture, engineering, public transit and pollution-control systems. Said Crosbie: "Telecommunications are one area of great promise to us. Of course, there's great competition. But there is going to be a huge expenditure in Mexico in telephone communications, where they are very weak." Already, a subsidiary of Minneapolis, Ore.-based Northern Telecom Ltd. has a contract to supply optical fibre technology in five Mexican regions.

Business: Mexico, a former cattle breeder and producer of Ottawa-based Agropur Canada Ltd., is an enthusiastic supporter of a trade agreement involving Mexico. One current difficulty in trading with that country, she said, is the excessive amount of red tape encountered by Canadian exporters. Last month, Mexico ran into problems when she tried to arrange a shipment of 550 pregnant cows, all due to give birth within days, to Mexico. She said that the cows were kept in stalls in the United States for several days while her representatives obtained the necessary permits from Mexican authorities. Said Moore: "You think you are bureaucratic. The Mexicans are more bureaucratic, and the situation is very difficult to penetrate."

Critics of the proposed trade pact say that

industries that are later entrants have already been hurt by low-wage Mexican competition and that they will suffer even more under free trade. Federal top trade critic David Barrett, for one, said that giant multinational auto, such as General Motors and General Electric, are slashing production to Mexico from Canada and the

United States. He added that Canadian companies currently operating in duty-free zones in northern Mexico, known as maquiladoras, have laid off a combined total of 15,000 Canadian workers over the past two years.

Crosbie acknowledged that thousands of Canadian manufacturing jobs have been lost in recent years and that some will likely disappear, but he added that the losses have resulted from global economic forces, not from free trade alone. One factor that has been hurt is the automotive parts industry, which currently employs an estimated 74,800 people in southern Ontario. According to Crosbie, the parts industry is destined to continue shrinking—but not because of free trade. "Most of the auto workers' work is not highly skilled. That's why they can do it now with ease down in Mexico. Now, if doesn't matter whether we have a free trade agreement with Mexico or not. This kind of work will be done in Mexico or it will be done somewhere else

Mexico, rather than in Canada."

Representatives of the auto-parts industry dispute that prediction, but they acknowledge that the number of Canada-based auto-parts firms is likely to decline as trade with Mexico increases. In January, the president of the Automotive Parts Manufacturers' Association of Canada, Stephen Van Halbeek, led a trade mission of about 16 parts company representatives to Mexico. While the mission's goal was to promote exports, Van Halbeek said that virtually all of his members are seeking opportunities to open plants in Mexico. "I don't think that there are people who are keenly interested in a concentration of exports down there," he added. "I hope they stay in Canada, but I have to be realistic."

Trade: Other experts say that the biggest threat to Canada in the trade talks will come from a resurgence of the existing FTA. Gordon Ritchie, Canada's deputy chief negotiator in these talks and now president of the Ottawa-based consulting firm Strategica Inc., says that the Americans will likely ask Canada to accept the 1985 Auto Pact, which protects Canadian jobs by requiring that a minimum level of Canadian content be present in North American-built cars. Ritchie also predicted that U.S. negotiators will attempt to weaken protection for Canada's textile and cultural industries. As well, the Americans may try to change Canadian regulations protecting intellectual property, such as drug patents.

The former U.S. deputy negotiator during the 1988 talks, William Murray, now a Washington-based consultant, said that the talks may be difficult for the Canadians. He added: "You come into this negotiation, and you'll be told: 'Now, Canada, you wanted to be protected. Well, here's what it's going to cost you. It's going to be very painful.'"

Still, many businesses say that the potential advantages for Canada in a three-way free trade pact outweigh the risks. Toronto civil engineer Lembit Maunula, for one, claims to have conducted a simple and inexpensive way to repair underground pipes using expandable plastic, which would bring in big gains to the earth above them. Maunula said that a free trade agreement could assist him in his efforts to obtain contracts with several municipal governments in Mexico. He added that he is impressed with the enthusiasm that he has encountered as business trips to Mexico—much that he is amazed about Canada's ability to compete with Mexico in the low-end, said Maunula: "They have many skilled people and they are very energetic. I have a feeling that they will be the Japan of North America." If Maunula is right, the pressures on Canada's manufacturing sector are certain to increase.

NANCY WOOD and E. KATE FULTON
in Ottawa



Crosbie: "We intend to be part of the hub"





Bangkok traffic: Lavalin (right) expects a decision on a mass-transit project within the next six months

BUSINESS

BANGKOK BLUES

For Donald LaVine, it was the latest in a series of frustrating delays. Since 1986, LaVine has worked in a cramped and stuffy third-floor office in a congested area of Bangkok, down the street from the Chongpra message center and right next to a noisy elevated expressway. From there, the consulting engineer has pushed Montreal-based Lavalin International Ltd.'s bid to win government approval for a \$3-billion mass-transit system in Thailand's capital. Last month, his efforts appeared to have succeeded when the country's transit authority approved the project on Feb. 22. But a day later, military leaders overruled the country's elected gov-

**MONTREAL-BASED
LAVALIN'S
\$3-BILLION DEAL
IS NOW IN THE
HANDS OF
THAI GENERALS**

ernment in a "Moulinex coup." Almost immediately, the ruling generals announced that a second bid to review all large-scale capital projects approved by the previous government. So, LaVine predicted last week that Lavalin's project would eventually proceed to a second bid. "Our project has been reviewed so many times," he said, "you never know what will make a difference."

Initially, at least, Lavalin appeared to have grounds for optimism. The generals have repeatedly assured foreign investors that they will continue the country's pro-business economic policies. But new roadblocks have arisen for Lavalin since the coup. For one thing, the ruling generals have detained the chairman of

Thailand's Expressways and Transit Authority, Anant Asavabhaya, a known supporter of Lavalin's bid. The new government has also frozen the bank accounts of more than two dozen senior politicians and civil servants, including Asant, and says that it is investigating them for alleged corruption. Meanwhile, Gordon Wu, the director of the Hong Kong-based construction firm Hopwood Holdings, closed last week that Thailand's military rulers had given him approval to build an expressway and rapid transit system similar to the Canadian company's.

In Montreal last week, Lavalin chairman Bernard Lavalin said that his officials had been "in contact with the generals" and expected a go-ahead within six months. Speaking to reporters during the annual meeting of Lavalin's publicly traded subsidiary, Lavalin Industries Inc., Lavalin noted his company's chances of proceeding with the deal at between "75 and 80 per cent." He added, "The change in government will cause delays, but I do not think the contract is going to be cancelled."

Bangkok has an obvious need for a rapid transit system. Since 1987, the country's gross domestic product has grown by an average of 11.8 per cent a year, making it the world's fastest-growing economy. That boom has exacerbated the already notorious traffic congestion in the capital of six million people. On most days, the city's air is thick with automobile exhaust fumes, and it can take pedestrians up to 30 minutes to cross busy intersections.

In 1988, Lavalin awarded plans for a 60-km, 30-station elevated rail line similar to the SkyTrain system installed in Vancouver by its subsidiary, Baguette. Canadian Urban Transportation Development Corp. Wu's plan is even more ambitious. His company has proposed a 66-km rail line, most of which would be covered by a 10-km light-rail expressway. The entire project would sit on top of two levels of rail stations. For his part, LaVine says that even if Wu's project goes ahead, there would not be a conflict with Lavalin's plan. Added LaVine: "We don't think the project will affect ours in any way. The two could complement each other."

In fact, both projects appear likely to be delayed by the military's investigations into government corruption. Diplomats in Bangkok say that corruption has traditionally colored Thai politics, but they add that it reached unprecedented heights under departed prime minister Chuanrich Chuanrich. "In this country, it's quite normal to depict the streets as a game pit," said a Western diplomat who requested anonymity. "But Chuanrich's government went even further—they used to divert

the entire streets." Lavalin officials strenuously deny any wrongdoing. Said LaVine: "We just don't get involved with that."

The turmoil in Thailand is the latest of several recent setbacks for Lavalin, most of which is privately held by Lavalin, his brother Jacques and several close associates. The Montreal-based engineering company is currently involved in negotiations to build a \$663-million subway system in the Turkish capital of Ankara. Those talks, described last week by Lavalin as "incredibly complex," were delayed by the outbreak of the Gulf War. Another Lavalin subsidiary, 160 Trading, was forced to write off a \$45-million non-refundable deposit last month after it withdrew from a deal to buy eight Canadian Airlines International A-319 aircraft. 160 Trading had earlier arranged to resell the aircraft to the Soviet airline Aeroflot, but Aeroflot declined, citing a shortage of hard currency.

Financial analysts are reluctant to comment on Lavalin's current cash-flow problems, in part because Lavalin and its associates disclose few details of the group's operations.

Indeed, Lavalin Industries' annual meeting last week lasted only 15 minutes. The company reported a 1990 loss of \$3.8 million on revenues of \$548 million, its third consecutive annual loss.

Lavalin, which employs over 8,000 people in more than 300 countries, has depended heavily on government support for much of its growth in the past two decades. Co-founded by Lavalin's father-in-law in 1958, the company rose to prominence during the 1970s when it took part in the multi-billion-dollar construction of the first phase of Hyatt's Quebec's J.W. Marriott. The Crown-owned Export Development Corp. has agreed to support Lavalin's Bangkok proposal by lending the Thai government \$240 million at 9.2 per cent a year, and an additional \$240 million interest-free, to help pay for the project.

Meanwhile, the generals in Bangkok are determining the fate of the Lavalin railway. Last week, the state appointed a Canadian prime minister, Anant Praphasit, 58, who served as Thailand's ambassador to Canada from 1967 to 1972, and reportedly promises to hold free elections within six months. LaVine said that he remains optimistic. "We've invested a lot of time and effort in this," he added. "For us, it's simply a matter of getting the final go-ahead." Still, Lavalin's own experiences prove that conducting business in Thailand is rarely a simple matter.

JOHN DANEY AND DENISE MATHUET
in Bangkok and BANGKOK, Thailand

Business Notes

UNEMPLOYMENT SETBACKS

Canada's unemployment rate is now at its highest level since October, 1985. According to Statistics Canada, the rate jumped to 90.2 per cent in February, up from 93.7 per cent in January. In all, there were 1.52 million people out of work, up 60,000 from the month before.

DEMOSNOLIS SINKS

Toronto-based Demosnol, Mason Ltd., announced that it will slash timber production by almost half at its mine in Elliot Lake, Ont., and to shut its workforce of 1,000 by 1990. The layoffs, scheduled for June 25, follow production cuts last August that resulted in the loss of 450 jobs.

BANK RATE STALLS

The Bank of Canada's interest rate rose marginally, to 9.58 per cent from 9.37 per cent the week before—before a three-month decline. Some economists expect that purging further reductions in the bank rate, which influences other credit charges, will prolong the recession.

HOUSING SALES REBOUND

Housing sales across Canada reversed their 18-month downward trend, posting a 4.6-per-cent increase in January over December. According to the Canadian Real Estate Association, 14,426 homes were sold in January, up from 13,554 in December. Real estate brokers credited much of the increase to a mortgage rate cut for the improvement. The average rate charged by major lenders for a one-year mortgage dropped to below 12 per cent in February for the first time since October, 1988.

MILKIN BEHIND BARS

Michael Milken, the 44-year-old, high-flying American financier who pioneered the use of junk bonds, began to serve his 10-year prison term for illegal securities trading and stock manipulation. He will share a 40-square-yard room with three other prisoners at the Camp Parks prison, about 66 km south of San Francisco.

A BREWING BUCKWHAH

The constant demand of Borealis Canada for advertising compliance by three of Canada's major breweries that those of their U.S. counterparts are dumping beer in British Columbia at prices below those charged in their domestic market. The Canadian brewers said that G. Heileman Brewing Co., St. Louis, Mo., and Anheuser-Busch Inc., St. Louis, Mo., and the third, which is not named, are dumping beer in the province at prices that are as much as 44-per-cent cheaper than in the United States.



Revenge of the Zalmoids

BY PETER C. NEWMAN

Last week's resignation of Mtl Coover, British Columbia's resurgent 5-voice minister, drove the last spike into Bill Vander Zalm's political career. The Zalm, who once said that "being premier's only dumb job," is about to have his wish.

Paradoxically, the problem is not the quality of the Social Credit government, which has been as good or as bad as most of the country's other provincial administrations. Its scandals have been relatively minor, its economic policies effective enough to keep the Pacific province out of hoser's way in the current recession. The trouble has been entirely Bill Vander Zalm himself. The B.C. premier has become a self-proclaimed loose cannon who puts scant attention to his own advisers and recognizes no boundaries between church and state. With 11 resignations already as recent and more to come, his cabinet counts more of marginal and/or failed and failed than does most, ward-car salesman and renegade from bumper-sticker country. The only loyal members left are rebel Social Crediters, dismayed by the premier's monstrous politicians as Zalmoids.

Coover's departure is significant for many reasons. A former president of B.C.'s Liberal party and a relatively enlightened social thinker (Bill, in the Social Credit context he was a veritable Mother Teresa), as well as a competent economist, the former finance minister was the last credible link between the premier and the Vancouver business community. Coover's resignation of the premier's alleged conflict of interest at the Fantasy Gardens sale, but he has been in trouble before. A year ago, Vander Zalm almost dumped him for the luxury of daring to suggest that there was concern in a wealthy democratic society—a view that challenged the premier's belief that every party member had to be blindly obedient to the leader.

Coover's ouster followed by a few weeks the fission of Grace McCarthy out to seek

The B.C. premier has become a self-proclaimed loose cannon whose approach to the job is: 'Ready! Fire! Aim!'

renomination for the coming election, because of her differences with the premier. Just as Coover's resignation severed contact with the business community, McCarthy's goodbye cut the premier's tie with Social Credit's grass roots. The last political survivor of the W. A. C. Bennett era, first elected to the legislature in 1964, she was named by the party's rank and file. A quality lady with highly developed political instincts, her departure was an irreplaceable loss to Social Credit ranks.

As even more serious blow was the 1988 resignation of Bruce Smith, then attorney general, who also quit on no more of principle. Smith concerned the unpardonable sin of attempting to enforce the rule of law without making it subservient to Vander Zalm's will of lordship to the premier. That was more than the Zalm could countenance. As a Mulroney confidant, Smith also provided British Columbia with a valuable Ottawa voice and a sane outlook on constitutional issues. His departure deprived the provincial government of these essential contacts, and it has since really been replaced. (Smith's immediate successor was David Vetch, an amiable lightweight whose previous achievements are confined to his prominence within Masonic Temple lodges. He

is now the new minister of finance; the attorney-generalship is currently being filled by a professional expert named Russ Fraser.)

The other resignation that will count is bringing Vander Zalm to heel was that of environment minister John Reynolds. A man of flexible graces with a million smiles on his meter, he graciously ceded about his portfolio. After much debate, he managed to win cabinet approval for some fairly stringent anti-pollution measures that would have cut the allowable limit of effluent discharge by B.C. pulp mills from the current level of 35 lb of organochlorines per ton of discharge to 20 lb by 1995. But Vander Zalm took it over with his buddies in the forest industries and overruled Reynolds, forcing him to quit. The fact that even as tough, pragmatic and well-connected an operator as Reynolds could not find a sympathetic pew within the Mother Church—or Fantasy Gardens, as it's known in British Columbia—sent shivers racing through many a Secret Committee rank.

All these resignations, except Coover's, pertained the dastard about ownership of Vander Zalm's theme park. Apart from the park's aesthetics, which make Disneyland seem like a Mount landscape, there have been other problems with Fantasy Gardens. The most important has been the premier's constant, repeated for the past few years into open microphones on nearly every perhaps-for months across in the province, that it was his wife, Lilian, who really owned the property. When court papers showed that he personally not only owned 85 per cent of Fantasy Gardens' parent company, but also signed annual reports to that effect every year since he became premier, Vander Zalm began to back off.

First he blamed his lawyer, then he blamed his accountant, and finally he blamed the media. In fact, only two possibilities remain: resentment that he had lost or that he was stupid. Exactly.

Out of all this has come the momentum for establishment of a new political movement in British Columbia to provide a first-entrance alternative to Mike Harcourt's New Democratic Party. Called the British Columbia Peace Party, it has so far enlisted an impressive group of worthy citizens such as Ed O'Brien, a leading Tory lawyer and graduate of the Ross Thatcher school of politics, Gwyneth Owen, a former provincial secretary to John Devlin, Ikeri and Jim McLean, a capable onetime regional director of the Social Credit party. Their thinking is that if former Ontario premier David Peterson's popularity could fall 18 points in a month, they might be able to reverse the process in British Columbia.

That could happen, but the new party will not make any rapid gains without a popular leader. Vancouver Mayor Gordon Campbell could certainly fill the slot, as could Smith, now the Civic chairman, though both men are otherwise occupied. A dastard possibility would be federal Justice Minister Kim Campbell. But first, the final act of the Vander Zalm psychodrama must be played out. It was Dave Barrett who beat someone up the loony premier's operational code, "Ready! Fire! Aim!"



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CITIZEN KAEI

After 34 years as *The New Yorker* magazine's distinguished film critic, Pauline Kael is retiring. Said Kael, 73: "I have given five reviews the best that I've got. It's time to say goodbye." But she will continue writing for the magazine, contributing occasional film-related essays and profiles. Kael, whose insightful reviews have been compiled into 10 books, told *MovieWeek* that she has no regrets about giving up her position. "I had such a good job, and you can never complain about *The New Yorker*," she said. She added that she still loves the movies—despite the fact that "it's the dumbest ones that get an inordinate amount of publicity." Said Kael: "But when you see a film like *The Grifters* or *Crash* or *War*, your faith is restored."

Nearing the finish line

Spencer Bee Johnson, whose comeback after his steroid-related disqualification at the 1988 Olympics has been dramatic, says that he plans to retire in two years. Last week, at the world indoor track championships in Seattle, Spain, Johnson placed fourth in his first race since his reinstatement as a member of the Canadian team. It was his ninth event since the Jan. 11 return to competition. Johnson ran 60 m in 6.60 seconds, far above his non-recorded 1987 world record of 6.41. At a news conference, Johnson, 29, said, "I'm getting older and it's getting harder. I feel the pain."



Johnson: only two years left



Kain: special partnership with Augustyn

TOGETHER AGAIN

The highlight of the National Ballet of Canada's 40th-anniversary gala last week was the reunion of dancers Karen Kain and Frank Augustyn. Kain, who has been with the company for all of her 22-year career, and Augustyn, who left in 1989 to become artistic director of the Theatre Ballet of Canada, have been frequent partners since 1973. Said Kain, 39: "Our partnership is very special." But Kain added that she and Augustyn, 38, were able to practice together for only two days. Declared Kain: "It's never got used to going. It's all excitement and nervous-acting."

WIT OF A LADIES' MAN

Last week's *Juno Awards* featured the tragically hip, the laughably risqué and the potentially eloquent. The Tragically Hip rock group won entertainer of the year, and Colin James, 25, rose male vocalist and single of the year. Quebecoise singer Céline Dion, who, at last year's Quebec regional awards, refused to accept the title of anglophone artist of the year—even though her latest album, *Dion*, is in English—this time happily accepted *Juno* for female vocalist and album of the year. But it was Leonard Cohen's acceptance speech for his induction into the Juno Hall of Fame that caused the biggest laugh at the Canadian music industry's annual event. Cohen said that he had only one reservation about accepting his award. The notoriously romantic poet and singer noted that only two women, Jane Mitchell and Marianne Forestier, had previously been inducted. Leonard Cohen, 56: "This causes me to believe that it's going to be hard to get a date at the Hall of Fame."

Cohen: nervous about a scarcity of dates



Cohen: nervous

Turning aside the kiss of death

Edmonton film-maker Anne Wheeler says that critics have "pigeonholed" her as a woman, which does not trouble her, and "female," which does. Said Wheeler, 44, whose last her new movie, *Angel Square*, like her first movie, *Blue* and *Comes by Don't Cry*, was shot in Alberta: "I feel most haunted when I'm telling stories that have grown out of Western Canada." But, "in marketing, calling a film a 'woman's film' is the kiss of death."



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A BLENDING OF ART AND MACHINE



Hull: 'If you give kids a hole, he hits it'

body else is ready to play." Although Gretzky still dominates that year's point-scoring list, Hull has achieved several hockey milestones with his prodigious goal-scoring feats of the past two seasons. When he scored his 50th goal of the 1988-1989 season on Feb. 6, 1990, he and Bobby Hull became the only father and son ever to have reached that plateau in the NHL. This season, Hull became one of three players in league history, along with Gretzky and Lemieux, to have scored 50 goals in less than 30 games. And on March 7, Hull scored his 7th, 74th and 75th goals of the season in a game against the Boston Bruins, breaking his own record for night wingers.

Besides breaking his way into the NHL record books, Hull has dramatically raised the profile of professional hockey in St. Louis, a midwestern American city generally known for its major-league baseball team, the National League Cardinals. Blues president Jack Quinn said that the team currently has 25,000 season-ticket holders in the 17,146-seat St. Louis Arena, an increase of 3,000 over last season largely due to the publicity surrounding the off-season contracts signed by Hull and defenseman Stevens.

Hull's minor achievements have also made him something of a local hero. On March 1, after playing 10 of 80 regular-season games, the Blues won their first overall in the 21-season league with 46 points and Hull was in second place in the scoring race behind Gretzky, who, while scoring roughly half as many goals, has more than double the number of assists. One year earlier, the team was seventh and with 75 points. And since the season started, Hull has been receiving about 1,000 pieces of fan mail every week from as far away as Europe and Japan. Said Quinn: "Hull has made this town the city's biggest love." Hull's accomplishments of the past two seasons, Hull has finally emerged from the shadow of his famous father, whose many hockey experts regard as the greatest left winger ever to play the game in 25 professional seasons. From 1967 to 1980, Bobby Hull scored 1,111 goals and assisted on 998 others. The elder Hull scored 50 or more goals in a season five times with the Chicago Blackhawks before signing a \$2.5-million contract with the Winnipeg Jets of the newly founded World Hockey Association in 1972.

But Bobby Hull's wealth and fame brought him and his father family painful public exposure in the late 1970s when he and his wife,

Joanne, went through a bitter and controversial divorce. After 20 years of marriage and five children, Hull's estranged wife accused him of physical and mental cruelty, as well as adultery. In June, 1988, the Manitoba Court of Queen's Bench awarded Joanne Hull a total of \$800,000 and custody of the children. The children—Bobby Jr., now 20, Blake, now 25, Brett, his youngest brother (Bart, now 23, and sister Michelle, now 20—moved to Vancouver with their mother.

The former junior Hull subsequently married his insurance executive Harry Robinson. They now divide their time between homes in West Vancouver and Blaine, Wash. Brett's oldest brother is vice-president of Marshall Gelsky International, a "T-shirted" clothing manufacturer, while Blake Hull is living in Tampa, Fla., and attempting to qualify for the Professional Golf Association tour. Bart Hull, a running back at Boise State University in Idaho, was selected by the B.C. Lions last month in the first round of the Canadian Football League's annual amateur draft. And Michelle Hull is a third-year pre-medical student at Western Washington University in Bellingham.

For several years after the divorce, Brett Hull recalls, he rarely saw his father, who returned to the cattle farm he owned near Belleville in eastern Ontario. Although they now have a good relationship, Hull said that he still sees little of his father because the elder Hull spends much of the winter at a Florida resort property. But Bobby Hull attended a St. Louis Blues game against the Tampa Bay Lightning on the night his son became a 50-goal scorer for the first time. Following the game, Bobby Hull told reporters, "I always told him he had a 30- or 40-goal season, but a 50- or 60-goal season."

Despite his parents' turbulent divorce, Hull said that he retains fond memories of growing up in Winnipeg and attending big practices with his older brothers and their famous father. After the divorce, he said, his father would frequently sit at his sons on the bench and demonstrate basic hockey skills. But Brett Hull grew up to become a markedly different player than his father.

At the height of his career, in the mid-1980s, Bobby Hull was one of hockey's most overpowering performers. He dominated his fans with mid-air rushes and sled-stomped goals with a fearsome speed shot. Even Hull admits that he may have overdone his father's goal-scoring ability. Otherwise, he said, he has developed his own peculiar style. Hull explained that he rarely leads a St. Louis rush by carrying the puck out of his own end. Normally, he said, he goes to watch the play develop or runs ahead to

protect opposing defenses. The primary objective is to find a patch of open ice in the offensive zone and look for a pass from a teammate.

Opposing players say that Hull is an opponent who strikes with devastating effectiveness. Maple Leafs goalie Jeff Blashko, who was in the net when Hull scored his 50th goal last season, said "He's got one of the quickest releases in the league, and his shot is so accurate it's unbelievable. A lot of the times

Hull says he has emerged in one of the NHL's top players because of much St. Louis's persistent nurturing. The 34-year-old St. Louis, son of an brothers from Viking, Minn., to play in the NHL, as well as his third season behind the Blues bench. Said Hull: "The less people do what they do best and then watch on their own with video and practice. He doesn't take a guy like me who can score and turn me into a defensive player." And Hull says that he remains preoccupied over how he was handled by



N.Y. Islanders Phil LaFontaine (left), Edmonton's Kevin Lowe and Hull: opportunity

who he's scored on, I thought I had him." Last defenseman and team captain Rick Kasper added, "He's got the gift. He's a natural scorer. He's got a great sense of anticipation, of where the net is without even looking." Philadelphia goalie Ben Hanzel, who allowed Hull's 70th goal this season, said "When he comes in on the wing, he's got an awful lot of speed if you give him a hole, he hits it."

The Phoenix, who traded him even though he got 30 points in 52 games, said Hull, "In Calgary, I wouldn't play him less than 10 minutes of a period if I made a mistake. It was tough for me to learn when I was sitting on the bench."

But Hull says that he has no regrets about his move to St. Louis. He lives in the affluent suburb of Winnetka Woods, with his 36-year-old girlfriend, Allison Curran. They met six years ago in Detroit, Minn., where he was attending university as a hockey scholarship. They made their off-season home at Pike Lake, about 30 km north of Duluth. Hull plays golf every day during the summer at one, and sometimes both, of the city's private clubs. He drives a red Corvette, and two pre-owned vehicles, a Chevrolet Blazer and a Nissan Infiniti Q45, provided by St. Louis car dealers. And when he has spare time during the season, which does not happen very often, he stays home, unplugs the phone and tries to relax, he said. While he may have shrugged off the expectations of being his father's son, Hull still faces the pressures he has created for himself as the NHL's top gun.



BY ARCY JENSEN in Philadelphia

SPORTS

Like father, like son

Brett Hull is blasting into the record books

He is the National Hockey League's most controversial superstar, a player who can dominate a game even when he is not carrying the puck and often seems to be out of step with his teammates. But despite his maverick style, 26-year-old Brett Hull, million-dollar right winger with the St. Louis Blues, son of hockey legend Bobby Hull, has emerged in the NHL's most prolific goal scorer. In a March 2 game against the Philadelphia Flyers, he 64th of the season, Hull scored his 70th goal of the 1988-1989 season to become only the third player in league history, after Los Angeles Kings' Wayne Gretzky and Pittsburgh Penguins' Wayne Mario Lemieux, to reach that plateau in consecutive seasons. Although some hockey analysts contend that Hull is merely an opportunist with a hard, accurate shot, he maintains that his style of play breaks new and disrupts opponents. Said Hull: "I take myself right out of the play to get open. Sometimes when we're going into the other team's zone, I'm skating out of their zone."

In his own words, Hull is "the epitome of a late bloomer." He almost quit hockey altogether at the age of 18 before making a try for

junior team, a level below major-league hockey, in Penitence, B.C., where he scored 145 goals in 56 games. Hull, not a strong skater and poor defensively, failed to impress his first NHL coaches, the Calgary Flames, and they traded him after only 37 games to St. Louis in March, 1989. In 1989-1990, his second full season with the Blues, he scored 73 goals, a league record for night wingers. Last summer, the Blues rewarded Hull with a four-year, \$5.3-million contract, which will pay him \$1.4 million this season, up from \$150,000 a year earlier.

With his new contract, Hull is now the third-highest paid player in the game, behind Gretzky, who will earn an estimated \$3.9 million this season, and Lemieux, who will receive \$2.7 million. The high salary has also made added responsibilities. Before the season began, Blues head coach Brian Borsari told Hull that he expects him to help out captain Scott Stevens by providing extra on-ice team leadership. And Hull admits that, because of his personality, being a leader is a bigger challenge than scoring goals. "I'm too loud and noisy and that's a tough for me," he said. "I keep saying loud, but I have to make sure every-

Wings of glory

The CF-18 proves itself in the Gulf War

Homebound based from the Gulf War, four Canadian fighter pilots swooped down over their base at Baden-Württemberg, Germany, last week and topped the salad wings of their CF-18 Hornets in a salute to the crowd below. The evening's dazzling war was clearly meant to the ears of family and friends who had gathered to greet the first safe arrival from the temporary Canadian base in Qatar, on the Persian Gulf. Said Maj Janet Nantais, of Midland, Ont., the base public affairs officer: "There were a lot of tears and a lot of happy people. It was really moving." Well-wishers greeted the pilots with cheers and champagne. But the pilots heaped praise for their successful mission, on the two-year fighter aircraft that has been the Hornet's highly public military contribution to the U.S.-led coalition's cause. Said Capt. Christopher Spender, 34, of Cambridge, Ont., near Toronto one of the first pilots to return: "They did everything that we expected of them—and more."

His and other crew reviews of the performance of Canada's fighters in the Gulf created lingering criticism of the decision to make the CF-18 the backbone of Canadian air defence. On April 10, 1986, then-Defence Minister Glen Clark announced that Canada would replace its 80 CF-104 Starfighters and 44 CF-105s with 138 CF-18s. The aircraft are built by St. Louis-based McDonnell Douglas Corp. at a cost of about \$35 million apiece. Since then, the Canadian defence industry has been in a bit of a lull. On July 28, 1982, some critics have declared that the Hornet could not stand up to the reputation of a fighter aircraft. And since 1984, Hornet's track record has been mixed, with 13 crashes that destroyed 12 planes and killed eight pilots.

But military officials say that in flying air cover for Canadian ships in the Gulf, saving and escorting missions for British and U.S. bombers and, in the last weeks of the war, launching missions in Kuwait and Iraq, the CF-18s performed admirably. Said Maj. Perry Rockford, the CF-18 division officer at the department of national defence in Ottawa, "Every single back we spent on those airplanes has been well rewarded."

The highly manoeuvrable CF-18's ability to perform a dual defence-offence role is what

officials say has always made it an attractive weapon. In the early 1980s, said Martin Shadwick, a research associate at the York University Center for International and Strategic Studies in Toronto, Canada needed to create with speed and firepower, if you will, one of the most powerful and flexible fighters in the world. It also needed a plane with enough range and radar

coverage to allow some of the CF-18s to be sent to almost every theatre for over 100,000 total direct hours down, compared with military planners' geopolitical estimates of about 500. But according to Rockford, since then the role has expanded to include air. As for the CF-18's life span, Rockford said that the structural life expectancy has been extended by McDonnell Douglas to 10,000 hours and structural upgrades, and that the early problems were the price Canada paid for buying the Hornet at the early stages of its production. Declared Rockford: "The aircraft can be fully tested until it has at least 2,000 hours of flying time."

Despite their many capabilities, the CF-18s sent to the Gulf were not exactly equipped for air-to-ground fighting. When the conflict broke out, officials said that no air-to-ground role was envisioned for the Canadian planes. For that reason, the Hornet's bomb racks were left in Germany. But in Feb. 28, with the ground war about to begin, Defence Minister William



CF-18 at Canada Dry base, Qatar: one promise the plane may fail to keep in longevity

McKnight announced that the CF-18s would be refitted to support a ground campaign. In the last week of the war, Canadian pilots flew 26 bombing missions against Iraqi targets in Kuwait and southern Iraq. Spender credited groundcrews and the regular rotation of aircraft for the Hornet's reliability in the Gulf. To prevent fatigue, 30 of Canada's 28 fighters were replaced by new arrivals from Germany. And Spender added that Canadian groundcrews worked around the clock to that maintenance: "Because almost transparent to the pilots."

Shadwick, who says that the CF-18 may yet to keep a longevity. McDonnell Douglas issued Canada officials that each CF-18 would last 50 years. But structural faults were reported in the aircraft at the Hornet's entrance in Canada in 1987, bringing all the most recently built CF-18s to undergo structural inspections at the Canadian plant in Midland, Ont. when the last of the 12 CF-18 crashes occurred in April, 1990, killed Capt. Willie Taylor of Agincourt, Ont., in a training exercise. All five crashes killed the aircraft crew for the crash

McKnight announced that the CF-18s would be refitted to support a ground campaign. In the last week of the war, Canadian pilots flew 26 bombing missions against Iraqi targets in Kuwait and southern Iraq. Spender credited groundcrews and the regular rotation of aircraft for the Hornet's reliability in the Gulf. To prevent fatigue, 30 of Canada's 28 fighters were replaced by new arrivals from Germany. And Spender added that Canadian groundcrews worked around the clock to that maintenance: "Because almost transparent to the pilots."

The Gulf experience gave the pilots a chance to reassess the CF-18 against other combat aircraft—and the results, they say, were good. Declared Spender: "It is still one of the best, if not the best, fighter airplane in the world. I wouldn't trade it for any of the others we saw over there." And for the men at the Gulf, that was more than enough to guarantee that they sought from their mission rewarded.

JAMES MCKINNON with correspondence reports



Daily News strikers: a history of sensational photographs and pungent headlines

PRESS

New York deadline

A bid for control of the Daily News

Ever since the 1919 launch of the New York Daily News, the headlines in America's oldest tabloid have reflected the gut-level pulse of the robust city. When then-President Gerald Ford refused to give financial aid to the city during the 1970s, the paper's banner headline shouted, "FORD TO CITY: TIGHTEN UP!" And last week, as U.S. soldiers started to return from the Persian Gulf, it roared: "HOMES COME TO SENSATION!" The paper's body-slow journalism proved highly successful, and it maintained a daily circulation of more than one million for decades. Then, during the 1980s, the paper suffered from rapid competition on the outside and militant unions on the inside. Now, after 19 weeks of a no-strike-no-work strike, its circulation has slid to as low as 200,000, according to some estimates. But last week, almost on the eve of that deadline to close down the business paper, British press magnate Robert Maxwell, a man as colorful and brash as the Daily News' aggressive, was negotiating a deal to buy the paper. Said Maxwell: "New York without the News would be a great loss—to New York, the United States and the world."

The proposal to purchase the oldest newspaper from the Tribune Co. of Chicago followed a strategy that Maxwell has used to buy a number of famously troubled newspapers,

including London's Daily Mirror. The Daily News' bid to the deal to close, after labor issues, representing nearly 2,500 Daily News employees, were expected to oppose to let the paper by off 840 of its employees and to accept technological change. And they had to come to a decision by March 11. In return, Maxwell indicated that he would fire all employees who were brought on during the strike and drop all lawsuits that the Daily News has brought a giant in return. For his part, George McDonald, president of the Allied Printing Trades Council, the union's group of the striking unions, said: "Any offer we get will be better than what we've got now with the Daily News management."

The purchase of the Daily News would stand as an important personal achievement for Maxwell, 67, who is one of the richest men in the world. He is a former owner of the New York Daily News, a man as colorful and brash as the Daily News' aggressive, was negotiating a deal to buy the paper. Said Maxwell: "New York without the News would be a great loss—to New York, the United States and the world."

appeal to welcome Maxwell's rescue bid. "Rescuing the Daily News," said Janet Nantais, a copy editor, remarking a British source.

Maxwell secured an ideal match for the Daily News: a paper that was once in a bind and successful in its. The tabloid's original owner, Joseph P. Patterson, launched it 72 years ago. The Illustrated Daily News. He aimed it at the thousands of working-class immigrants who had been streaming into New York City from around the world. Over the years, the morning paper developed a faithful readership with a combination of top columnists, including Jimmy Breslin, and a visceral, straight-down version of the previous day's events. It had the best lineup of reporters and columnists covering local stories in the city. In fact, almost a third of the staff at the highly regarded New York Times have their careers at the Daily News.

The Daily News' pioneering use of dramatic writing, sensational photographs and pungent headlines pushed the paper's daily circulation to 3.3 million in 1929, and its Sunday circulation peaked at 4.7 million in 1947. Although its circulation did not increase with the population of New York, it held steady at more than one million—it was the United States' largest-circulation metropolitan daily—until last Oct. 26, when the strike began. Said Robert Deans, director of the Gannett Center for Media Studies at Stanford University in New York: "It appeared to people who wanted human interest and pictures."

The Daily News continued its hold over New York readers until the 1970s, when the rise of the sprawling city slowly changed and television came into its own as a major threat to newspapers, especially tabloids. Said Deans: "Local television news in New York is clearly the tabloid of the present day. It is highly sensational, with a lot of lurid curiosity." While television took its toll, the paper also suffered because it counted on newsstand sales, something that has been in decline. Said Deans: "The blue-collar audience followed heavy industry out of the inner city and subscribed to suburban papers instead."

As the Daily News battled to gain circulation and battle continued interest, management said that it was crippled by high labor costs, particularly those associated with its own unions and acquired printing plants. The unions had grown so powerful that they have a say in manufacturing staff levels—some though the jobs may no longer be required. Over the past 10 weeks, the paper's owners tried to force the unions to accept a 10 percent cut in the pay cut, much of the dispute being focused on guarantees of paid overtime. Said Daily News publisher James Hoag: "Management does not



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even have the basic right to hire, supervise or determine how work gets done. It's a nightmare."

According to company officials, the unions considered proposals to cut costs with demands for improved working conditions, job security and higher pay. Then, shortly after midnight last Dec. 28, 34 truck drivers walked off the job after an incident between an employee and a supervisor. And when a bus that was carrying non-union replacement workers rolled to a halt shortly afterwards, about 200 Daily News employees threw rocks at it and another vandalized 40 delivery trucks.

During the strike, members of the Daily News management continued to publish a scaled-down version of the paper. At one point, the paper's editors ran stories about "roving wolf packs" of strikers chasing down delivery trucks. But with circulation down to about 100,000 and advertising slots down accordingly, the paper was losing nearly \$250,000 a day. As a result, its owners said that if they could not find a way by March 15, they would shut it down—and Maxwell later gave the union only until March 11 to decide

Despite the size of Maxwell's media empire, which has assets of more than \$2 billion and includes the giant U.S. book publisher Macmillan Inc. and F. B. Collier Inc., he may be in the fight of his career in New York, which is



Maxwell: 'New York without the News would be a great loss'

already served by two other financially troubled tabloids. Indeed, the New York Post, with a daily circulation of 700,000, was close to bankruptcy last year, and only drastic staff and salary cuts kept it afloat. And the third tabloid, New York Newsday, with a daily circulation of 340,000, is massively subsidized by its parent company, the Times Mirror Co. of Los Ange-

les. Only the broadsheet New York Times seems unscarred of turmoil in New York's market. Said Dennis: "Three tabloids cannot continue here indefinitely."

In fact, some analysts say that the Daily News is in such critical financial shape that the Tribune Co. may have to pay Maxwell as much as \$70 million just to take the paper off its hands. But by doing so, it would have to pay massive wage and benefit settlements to its workers if the paper is shut down. Union adviser Theodore Kheel said that if the cutbacks take place, the savings for a new owner would be about \$90 million in labor costs a year. And union president McDonald said that despite the proposed cuts, Maxwell is offering a better proposal than the Chicago group did because he is apparently not demanding wage cuts.

Just how Maxwell would change the content of the Daily News is vague on last circulation and undertake the *Post* was a subject of debate in journalistic circles late last week. But some members of the editorial staff said that he would not try to win back the paper's audience by filling its pages with scintillating news and gritty crime stories. They speculated that Maxwell would, in fact, revamp the Daily News as a paper of substance. By doing so, he could carve out a place in New York society as the publisher of a quality newspaper. That is a status he has been unable to achieve in London, where he is viewed as an outsider and is known as the "American Crock."

Last year, Maxwell tried to disassociate himself from his tough Fleet Street papers by launching *The European*, an internationally sold broadsheet with sleek low-color photography. The English-language daily is aimed at affluent readers, not Dennis and that Maxwell could take a similar approach with the Daily News. But even if he did, the paper would likely remain in tabloid form and would stay true to the Daily News's long tradition of aggressive reporting and writing.

As well, Maxwell may be trying to prove that he can thrive in the tough New York daily newspaper sector where Murdoch failed. And although the *Post*'s circulation has risen by 50 per cent as a result of the strike at the Daily News, many analysts speculate that if Maxwell turns his latest acquisition around and regains his lost circulation, the daily *Post* could be forced out of business. Said Kendrick Nohie, a media consultant in Brewster, N.Y.: "Mr. Maxwell seems to think he has a chance to prove that he can outdo Mr. Murdoch here." Indeed, when the final story is written on Maxwell's latest deal, it will leave as much to do with personal conquest as saving a legendary newspaper.

TONY PENNELL with contributions by Jay Jay

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A president's fury

Mario Puzo scales the heights of evil

THE FOURTH K: A NOVEL
By Mario Puzo
(Random House, 478 pages, \$28.95)

In his 1969 novel *The Godfather*, and in three subsequent *Godfather* movies co-written with director Francis Ford Coppola, Mario Puzo wrote an epic tale of mafia men who rule according to their own chaotic—and twisted—standards of justice. In his latest book, *The Fourth K*, the New York City-based author continues to examine the consequences of unchecked power. But he has shifted his focus from the depths of underworld crime to the heights of American authority and prestige. The hero of Puzo's sixth novel is the fictional Francis Xavier Kennedy, the President of the United States and a distant cousin to John, Robert and Edward Kennedy. Already deeply scarred by his family's legacy of tragedy (Puzo's only apparent reason, readers cheer hope, for making his hero a Kennedy), Francis

Xavier is pushed to the brink of insanity by a series of personal and political humiliations. Like a double-crossed Mafia don, he lashes out, employing all the might of the U.S. armed forces.

Puzo's book is certainly timely. As *The Fourth K* fought its way into best-seller lists in recent weeks, President George Bush was leading an all-out war to drive Iraq President Saddam Hussein from Kuwait. In *The Fourth K*, Kennedy laces off with a Politician terrorist named Yabdi. Recalling Bush's public characterizations of Hussein, Kennedy describes Yabdi as a "reluctant archer" intent on "the humiliation of a great power." After Yabdi orchestrates the Pope's murder and assassinates Kennedy's daughter, the Pres-



Puzo one-dimensional

dent retaliates with a massive air strike against the most important city of Yabdi's only sovereignty, the oil-rich country of Shadrubien.

Although fictional, these vague parallels with current Midwest events obviously hint Puzo's central contention, that a contemporary America, only a crowd president would launch a devastating assault against the capital of a much weaker country. When Kennedy does so, his cabinet is shocked. His secretary of state warns: "We will become a pariah among nations by using our force to crush a small nation." His horrified vice-

president concludes grimly that "the tragedies of Kennedy's life had warped his lens irreversibly."

A cast of extreme, one-dimensional supporting characters further weakens Puzo's plot. A mendacious doctor concocts a lie-detective test that can cause complete amnesia. Disillusioned college professors explode a home-made atom bomb. One of Kennedy's aides brags

within a young writer's limo, "I'm from Iowa, so I'm like... The Fourth K obviously departs from the world of mental men, substituting screaming insanity for gripping fiction. The result is a novel that packs all the punch of an army in retreat.

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WHITE ROOM

Directed by Patricia Rozema

A second movie, like a second novel, is a daunting prospect at the best of times. And after the stunning success of her first feature, *The Witches of Mossbrook* (1987), Toronto writer-director Patricia Rozema had a hard act to follow. Made for just \$354,000, *Mossbrook*

has the framework of a fairy tale, beginning with "Once upon a time, there was a young man who lived a very exciting life—the problem was, it was all in his head." Norm (Maurice Godin) lives a sheltered life with his parents as suburban Toronto. His dreams of being a writer. And he tries to unleash his imagination, according to the film's narrator, by "yearning at the darkness of other people's lives."

With a compulsion that seems more poetic



Godin, *Nelligan*: a drama involving murder, seduction, suicide and pop music.

extended critics at the Cannes International Film Festival, reserved wide distribution in North America and became the only publicly funded English-Canadian movie to turn a profit in the past decade. A simple tale about an aspiring photographer who works in an art gallery, *Mossbrook* launched the film career of its star, Canadian actress Sheila McCarthy. And it gave Rozema an opportunity to work on a larger scale. Her new movie is ambitious, an operatic tale full of striking images and elaborate concepts. But *White Room*'s well-crafted elegance rents to some grossly flawed foundations of character and plot. And because the film is so brazenly concerned in other respects, its failures are all the more disappointing.

The movie is billed as "the erotic drama of the writer and the watched." However, for a drama that involves voyeurism, murder, rape, seduction, suicide and pulp journalism, *White Room* is strangely austere, almost pitiful. It

two-pronged. Norm begins spying on a woman who lives alone in a big house with a large expanse of uncurtained windows. Every night, he hides outside while she walks about in a comic and sings along to recorded music. One night, Norm watches in horror as a man enters the house, rapes the woman and stabs her to death. Norm sees him coming but does nothing to warn her. He just watches while the crime unfolds as a distant flurry of silhouettes.

Tormented by guilt, Norm leaves home, moves downtown and meets a lovely opportunist named Zella (Sheila McCarthy). A would-be artist who obsessed with the media, she runs a newspaper and lives in a Queens Hotel beside a tree dove. Norms to concentrate on her art, she subcontracts her job to the newswriter to Norm. Reading the newspaper, he learns that the woman whom he saw being raped and murdered was a famous pop singer named Madeline K. (Margot Kidder). Norm attracts

the star's funeral, where he observes Jane (Kate Nelligan), a mysterious woman who hides behind dark glasses and black scarves.

Later, he follows Jane home to the dilapidated house where she lives as a recluse. When she catches him spying on her, he offers to work as her gardener. The job serves as fertile ground for a lot of subtle sexual metaphors—"Maybe," says Norm, "we could make the bridge audacious." Romance slowly takes root, and Norm unravels the mystery of Jane's relationship with Madeline. Finally, he has something to write about. But Zella is jealous. And she takes an avenging interest in turning Norm's story into a media song—threatening to shatter Jane's fragile peace and trust in Norm. As the conflict heads toward a tragic conclusion, Rozema—with the off-camera largesse of a fairy godmother—follows the idea by offering an alternative, happy ending.

That is the last cavalier comment of a movie that never took a consistent tone. *White Room* contains a dizzying array of ideas—about accusation, the isolation of the artist and the cohesiveness of the media. Images and music—Madeline's lyrics are based on poems by Emily Dickinson—create a haunting spell. But Rozema seems to be attempting too much at once. Her story is overshadowed by esthetic intricacies. The mystery at its core—the link between Jane and Madeline—is compelling. Towards the end, however, the mechanics of an overwrought script become obvious. And McCarthy's character, while actually promising, gets reduced to an annoying plot device.

But the movie's central flaw lies with its male hero, who is neither appealing nor convincing. The fault may be in Rozema's script, Godin's performance, or both. In an early scene, Norm tells Zella about trying to write a story about someone who watches a murder and fails to act. "It won't work," she says. "You can't have a wimp in the middle of a story. The guys won't identify and the girls won't be attracted." Rozema seems determined to defy that conventional wisdom. But Norm is simply not interesting enough. Although the story is told from his perspective, he seems to be an avowed rule—a throw man in a movie where the rest of the film is female.

As Jane, who represents that point of view, Nelligan is a hypnotic presence. She creates an enigmatic sense of sexual power and emotional depth. And despite the vacancy of her leading man and the vagaries of the script, her performance remains consistently grounded. Kidder, meanwhile, is striking as Madeline, although her character makes only brief, problematic appearances on screen.

White Room is not really about its characters. It is about art. Filled up where *Mossbrook* left off, the movie explores issues of migration and desire, ambition and recognition. But it lacks the first-time magic and transcendental spirit that made *Mossbrook* extraordinary. It has a gross quality. Although *White Room* offers further evidence of Rozema's talent and audacity, her vision seems to have got lost in its own reflection.

BRIAN D. JOHNSON



Hoods (left), Fox: high-combustion comedy from actors powered by music energy

Enforcer's apprentice

Michael J. Fox takes a joyride in a squad car

THE HARD WAY
Directed by John Badham

As the irrepressible Alex Koston in *Family Man*, he became one of television's best-loved sitcom characters. And so tame traveller Marty McFly, he stretched his adolescence into *Back to the Future* movies. He was Peter Fox on a skateboard, jumping the curb to Never-Never Land. Yet, like any smart young star, Canadian actor Michael J. Fox looked for more roles that would let him grow up and get serious. He played a struggling musician in *Lights of Day* (1987), a color-up magazine fact checker in *Bright Lights*, *Bay City* (1988) and a soldier witnessing a Vietnam atrocity in *Conductors of War* (1989). Despite strong acting from Fox, all three movies were disappointments. The fans, apparently, were not ready to follow him into serious drama. Now, in a new sitcom-comedy, *The Hard Way*, Fox turns testimony to his advantage—by deftly parodying his own image as a lightweight actor who wants to be taken seriously. The result is a funny, spirited parody in which Fox, 39, shows that his comic timing is sharper than ever.

He plays Mick Lang, a spoiled Hollywood star deluged with starring in movies that have running numbers in the titles. Lang is famous for playing a disintegrative sort of Indiana Jones in cherry lap-screen adventures that routinely

start in a limousine at the box office. On the eve of his latest release, *Smoking Guns* II, he tells his motherly agent, Angie (Phony Marshall), that he is tired of playing cartoon roles. "You don't want me to grow up," he says. "The studio doesn't want me to grow up—I'm the only guy who wants not to grow up." Lang tells Angie that he wants a serious role as a homicide detective in a new movie. But she informs him that the studio wants Mel Gibson to twiddle his fingers at Hollywood celebrity. "Is this about assets?" asks Lang, in one of the first of many gentle jibes at Hollywood celebrity. "Is this a hell movie?"

Determined to land the role, Lang arranges to spend two weeks with a notoriously tough and temperamental New York City detective named John Moss—portrayed by James Woods at his absolute best. Furious that he has to babysit a Hollywood prima donna, Moss tries to get out of the assignment. But Lang insists on Moss, and the detective's star-struck superior is only too eager to oblige him. Misquoting as the detective's partner, the actor follows him around like a wide-eyed sycophant. He sleeps at Moss's apartment. He mimics his speech, his postures, his manner postures. He quotes over the authenticity of the ghetto—"It's like a movie it's so real!"

Moss, meanwhile, is obsessed with tracking down a serial killer, an Arson burner known as the Party Crasher. He is also awkwardly trying to kick-start a relationship with a single mother

named Susan (Anastasia Smolnsky). Lang gets in the way of both the investigation and the romance. But, true to the formula of most movies about odd-couple police partners, the bonding moment ends up helping the hapless veteran get his man and the girl.

Although *The Hard Way's* plot holds few surprises, the chemistry between Fox and Woods produces some high-combustion comedy. Both actors seem powered by a comic, reliable energy, despite their radically different styles. As Lang, Fox draws on the disintegrating charm of his former *Family Ties* character: he is slick, conceited and mercurial. As his tough-as-nail straight man, Woods takes the post-up rage that drives much of his acting and slams it into psychotic overdrive. His pocked features twitch as he spits out invective, branding Lang a "Hollywood ramp wrangler," an "egomaniacal little cockroach," "Dickless Tracy" and, the coldest cut of all, "a lot shorter in real life."

The script's rapid-fire dialogue seems custom-made for Woods and Fox. And it is riddled with asides at Hollywood, ranging from the good-natured dig at Mel Gibson to scolding *in-jokes* about fern bars and gerbil racing. But *The Hard Way's* talent is ultimately soft, for the movie is itself a prime example of the last-ditcher's advantage that it provides. Director John Badham, the man responsible for the disco rescue of *Saturday Night Fever* (1978) and the auto chase of *Endless Love* (1979), keeps the action in fast-gang in the gaps.

In new Hollywood, indeed, the film-makers went to extraordinary lengths to create an authentic atmosphere for a wildly implausible story. In fact, the production notes for *The Hard Way* point out that, in preparing his role, Woods spent some time tagging along with a New York police detective—who happens to be named James Wood. Wearing a bulletproof vest, the actor went on a number of drug raids with Wood, who also worked on the set as a consultant. Explaining the curious logic of it all, Badham said: "We take enormous liberties with the truth at times, and so we need to surround those moments with the realism of truth."

Fox, meanwhile, did not have to go very far to research the behavior of a Hollywood star. He seems completely at home in the role. In the two dump-pump sequences of *Back to the Future*, Fox was customarily thrown back to his adolescence, as if he were stuck on his mother's railway ride. Now, he projects adult maturity and poise, but does not seem to have grown out of his singular talent for comedy. In *The Hard Way*, he makes it look easy.

BRIAN D. JOHNSON



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Rly: full maleness can develop only when older men nurture it in younger ones

BOOKS

The male mystique

A poet seeks a new definition of men's role

IRON JOKE: A BOOK ABOUT MEN
by Robert Rly
(Addison-Wesley, 265 pages, \$24.95)

For many men, there is something faintly embarrassing about picking up a book on how to become a man. Common wisdom holds that the process is a matter of instinct, or perhaps style—something that occurs automatically after the age of 25. Yet thousands of men have sought out Iron Joke, by American poet Robert Rly. Since its publication last year, the book has climbed to the top of Canadian and U.S. best-seller lists. Iron Joke's popularity proves its own contention that men are in crisis. Many are no longer sure what it means to be a man. Role models have broken down. And with women taking on jobs that used to be held solely by males, it is no longer possible for a man to define his masculinity by his occupation.

Men also have taken their lumps from the women's movement, which has criticized their patriarchal attitudes towards everything from family life to the environment. Little wonder that males are feeling angry and confused. Iron Joke offers reassurance, but of an unexpected kind. It can be good and glorious to be a man, Rly insists, but only if men abandon the narrow styles of manhood that have left them stranded. For several years, Rly has pushed his message in men's workshops throughout North America. These sessions, which bring men together

for workshops of discussion, dreaming, singing and storytelling, sparked many of the ideas in Iron Joke.

Like the workshops, the book stresses that full maleness can develop only when older men nurture it in younger ones. For thousands of years, the nurturing took place in formal or informal ceremonies. But even after they fell from use, a certain amount of initiating took place in fathers and sons worked together in fields and craft shops. With the advent of large-scale manufacturing, however, everything changed. When Rly, "The low-spirited man disengaged by the Industrial Revolution has lost the father-son bond." As fathers disappeared into factories and offices, sons were left with their mothers. Often, unable to see or understand their fathers' work, the boys grew suspicious of it. And often they adopted their mothers' critical view of their fathers. Such young men can grow up unable to make close male friends, while remaining mistrustful of the older generation. Others try to replace the missing fathers by joining gangs.

Rly views all such problems through the prism of Iron Joke, "an old-style tale, set down by the Gravel brothers, that contains the essential wisdom of ancient European initiation rites. It is the story of a boy who dresses a wild, hairy man, Iron Joke, whom his father has locked in a cage. Iron Joke takes the boy into the forest and gradually introduces him to the secrets of manhood. Eventually, the boy grows

into a magnificent lion, at once fully civilized and thus in touch with the source of wild, ancient energy that Iron Joke represents.

By stocking "Iron Joke" in great detail, Rly sheds a penetrating light on many difficult aspects of male psychology. When the boy in the tale is wounded, Rly points out that his wound is symbolic of the deep hurts incurred in childhood. Most men simply deny that such wounds exist, Rly says. Some bury their pain by diving down, they become depressed, duty-bound work-holics. Others soar above their hurt by becoming high rollers, frenetically overpaid men with boyish personalities. But by ignoring their wounds, Rly writes, both types of men avoid the path that could make their manhood more resonant and authentic.

The idea that a man's vulnerability is the gateway to a richer life is not a new one. In old initiation ceremonies, the village elders actually wounded the young men in order to make a place where, as they said, "soul" could enter the body. Today, writes the author, the same effect can be achieved by consciously exploring the psychological wounds inherited from childhood or generated by the failures of adult life.

By Joke is a major gift to a culture that has all but forgotten its inherited wisdom, its painfully accumulated over thousands of years. Iron Joke inspires men full of energy, who instinctively protect rather than destroy, who are creators of true civilization rather than stock market addicts or wanderers of the cosmos. Their obligations are vast, if only—and it is a huge "if only"—enough men would take its difficult message to heart.

JOHN BISHOP

Maclean's

BEST-SELLER LIST

FICTION

- 1 The Secret Pilgrim, Ir. Card (2)
- 2 Penelope, Beth (3)
- 3 The Old Conscience, Green (4)
- 4 Heartland, Jael (7)
- 5 The Storm of Eve Luce, Atlanta (9)
- 6 Remembrance of the Gulls, Mortimer (5)
- 7 The Eagle Has Flown, Hagen
- 8 The Plague of Pompeii, Jael (3)
- 9 The Wishing Hour, Rice (8)
- 10 Angel Eyes, Lanthier

NONFICTION

- 1 Iron Joke, Rly (1)
- 2 Words with Power, Frye (2)
- 3 Honouring, Bradshaw (2)
- 4 The Press, Virgin (5)
- 5 A Life on the Range, Fenn (4)
- 6 Trudlow and Our Times, Clanton and McGill (9)
- 7 Penelope, Jael
- 8 Bushnell and Philip, Myles and Myles (7)
- 9 Peirce, Jael (3)
- 10 The Great Depression, Series (6)

11 Practice and View

Compiled by Brian Belliveau

An ESTATE of MINE.





A tragic failure of will

BY ALLAN FOTHERINGHAM

The one thing about governments is that they are *incompetent*. Governments, whether enlightened or reluctant to admit error, go beyond political parties. A Liberal government has about a problem. When it is succeeded by a Conservative government, the lie is passed on and is defended just as vigorously. The principle that governments never make mistakes is the perspective that must be discarded to the death.

Such is the case in the newest development in one of the most deplorable things Ottawa has ever been involved with. There would be the "co-optation" brazening arguments in Morneau's Atlas Memorial Institute between 1953 and 1973. In its columns—and gutters—refusal to go to bat for the 53 Canadians who had their lives ruined in the process, Ottawa has always agreed rather reluctantly to the CIA and Washington's device of *outrageability*.

The reason is now clear: In a brazen far-lane dismissal of a client by an innocent woman whose mind was wiped out by the brainwashing, Justice Minister Ken Campbell—a politician I had previously admired—cackles the circle-the-punches Ottawa approach that treasonous parties. The accusation is now confirmed: it turns out that the Canadian government spent some five times as much in the CIA on the unknown agency pays who refer to McGill University's working list.

At the height of the Cold War, the CIA spent \$25 million attempting to learn how to control the human mind. The excuse was that the Soviets and the Chinese might be pursuing techniques in that gray field. Using a false front called the Society for the Investigation of Human Biology, a business money through General University to 50 universities in 21 countries.

A natural recipient was McGill, since it contained the brilliant Scottish-born Dr. Ewen Cameron, known as "the godfather of Canadian psychiatry."

The reason the CIA was so interested in Cameron was the cancer of greed. Some psychiatrists were impatient with the lengthy and laborious treatment through psychoanalysis as



perfected by Jung and Freud. They wanted faster methods of restoring mental balance.

In the United States, the experiments—often using a new drug called LSD—were done on unsuspecting prisoners and prostitutes. In Montreal, Cameron used Canadians from all walks of life who had come to him with severe problems.

Washington's code name for the control project was *MOULDER*. In 1973, the CIA deeply buried the MOULDER documents. It has since been learned that Cameron's family, casually, destroyed his files after he died in a routine car accident in 1967. Curses.

Linda MacDonald, one of the patients, did not die the just but her life ruined. Before she entered Dr. Cameron's care, she was apparently one of those stored super-intellects. Perhaps just young children were too much, and she went to Cameron for treatment of fatigue and depression. When she left on much less, she couldn't read or write, didn't even recog-

nize her husband or children—and had to be toilet trained.

After moving more than 100 electroshock treatments and being fed massive amounts of powerful drugs and put into a drug-induced sleep for 30 days, she emerged with no memory of the last 26 years of her life. After losing her husband and her children and attempting suicide, she has rebuilt her life and works in a Vancouver employment training centre. Now a 53-year-old grandmother, she had to teach herself to read and write, make a bed, cook and drive a car.

Then Berger, the renowned Vancouver lawyer who was a judge on the Supreme Court of British Columbia, has made a submission to Ottawa for restitution to a disoriented woman who has struggled back. After a year's delay, Ken Campbell chooses his case.

The Ottawa government throughout, through two parties, has been a disgrace to Canada. None of the vast sums sent Washington for \$1 million apiece. After dragging through U.S. courts for five years, they could not, of course, face court costs and eventual three claims to \$175,000 each.

What did Canada do? The Mulroney government appointed a one-liner commission to look into the plans of new business systems. Who was he? Of course. A defeated Conservative MP, George Cooper of Halifax, who, loyal to the regime that held the answer to his fate, concluded that the government bears no "legal or moral responsibility" for the brainwashing experiments.

Strange. Since death within the Cooper regime is blatant evidence that Ottawa is in fact *not* listening. Cameron had his experiences with

live tapes the money contributed by the CIA. (MacDonald was a Cameron patient after the CIA money stopped; Ottawa media still claim.)

Cooper did deeply suggest a \$700,000 payment to each victim, not of course because the government was responsible for anything, but—a delightful legalistic government phrase—as an expression of "a collective sense of accountability for events which look place a good faith with it effect."

In good faith with it effect. A phrase worthy only of a defeated politician still hoping for better things.

Ottawa paid \$20,000 for legal fees for each Canadian using the CIA. The CIA, which at first shined \$20,000 to each of the men, eventually settled at \$100,000. But Ottawa will neither compensate. MacDonald now lives her life against Ottawa—while it was willing to do so for others against Washington. There are no words to describe government dishonesty.

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